REPORT OF THE EXPERT COMMITTEE
ON
CORRESPONDENCE COURSES
AND
EVENING COLLEGES

MINISTRY OF EDUCATION
GOVERNMENT OF INDIA
1963

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PREFACE

The Ministry of Education, Government of India, appointed in August, 1961 a *'Committee on Correspondence Courses and Evening Colleges'*. The Committee submitted its report in two parts, one dealing with 'correspondence courses' and the other with 'evening colleges and evening classes'. The two reports are here printed together. I am happy to say that the Committee's recommendations described in the reports have been accepted by the Government of India in the Ministry of Education and are under implementation.

The Committee is grateful to Dr. Homer Kempfer (Deputy Chief Educational Adviser, T.C.M.) and to Mrs. Muriel Wasi (Deputy Educational Adviser, Ministry of Education), Member-Secretary of the Committee, for their valuable contribution and help in the preparation of the reports.

The system of correspondence courses and evening classes constitute an important element in the educational development plans of our country (as of most of the newly-developing and advanced countries). It is apparent that without some form of correspondence system and evening classes it would be difficult, if not impossible, to meet the large-scale educational needs, specially in the field of technology, of an expanding economy.

In the case of correspondence courses, lessons prepared by outstanding teachers can be made available to everyone taking the course even if he is in a remote part of the country. The correspondence system does not suffer from the limitation of classroom accommodation, time-table difficulties which often restrict the number of academically desirable combinations of subjects that a student could study for his degree; and such other factors. The system has a special appeal these days in view of the very serious shortage of competent teachers. Correspondence courses and evening classes have some serious inherent limitations, but they also possess some definite advantages —which the Committee hopes will be fully exploited—in terms of widening the educational opportunities open to young men and women in our country, and in economising the educational costs per student.

The Committee would like to stress the importance of taking every possible care to ensure that adequate standards are maintained. Again, standards are not static, and every endeavour should be made to continuously improve them and raise their level.

I hope the reports would be of value and interest to all concerned with higher education in our country.

D. S. KOTHARI
[*Chairman*]
Committee on Correspondence Courses
and Evening Colleges

REPORT OF THE EXPERT COMMITTEE ON CORRESPONDENCE COURSES

In March 1961, the Ministry of Education appointed an Expert Committee to work out the pattern and relevant details of the Scheme of Correspondence Courses (prepared as an item under the Third Five-Year Educational Plan) in terms of a Central Advisory Board of Education Resolution passed at the Board's 28th meeting held at New Delhi on January 16 and 17, 1961 :—

> "For the Correspondence Courses, the Board suggested further detailed studies by a small committee before a firm decision could be taken".

2. An Expert Committee was constituted with the following personnel :—

Dr. D. S. Kothari (*Chairman*)	Chairman, University Grants Commission
Mr. P. N. Kirpal	Educational Adviser to the Government of India
Prof. N. K. Sidhanta (*Died in December,* 1961)	Vice-Chancellor, Delhi University
Dr. P. Parija	Vice-Chancellor, Utkal University
Mr. T. M. Advani	Principal, Jai Hind College, Bombay
Dr. Ram Behari (*Appointed in place of Prof. N. K. Sidhanta in January* 1962)	Professor and Head of the Department of Mathematics and Statistics, University of Delhi
Dr. Homer Kempfer	T. C. M. Consultant on Correspondence Courses, New Delhi
Dr. Hans Simons	Consultant on General Education, University Grants Commission
Dr. P. D. Shukla	Deputy Educational Adviser, Ministry of Education
Mrs. Muriel Wasi (*Member-Secretary*)	Deputy Educational Adviser, Ministry of Education

सत्यमेव जयते

Most unfortunately, Prof. Sidhanta, who attended the meetings in July and September, 1961 died in December of that year. The Committee would like to place on record its deep appreciation of his most valuable contribution to its deliberations and its sense of sorrow and loss at his untimely passing. The vacancy caused by his death was filled by Dr. Ram Behari. Professor and Head of the Department of Mathematics and Statistics, University of Delhi.

3. The Committee has met six times in all, on 7th July and 22nd September, 1961, 29th January, 9th March, 11th May and 21st May, 1962.

4. Its discussion has ranged over a wide area since Correspondence Courses are being tried out for the first time in Indian University education, and it is essential to clarify certain basic issues as well as to formulate educational and administrative problems. There is a general lack of Indian experience in the use of the Correspondence method. This lack of experience generates caution and argues the need to proceed slowly so as to ensure that in the absence, inherent in this method, of regular classroom contact between teacher and taught, it is still possible to create and maintain high educational standards. The Correspondence method admits of greater flexibility than classroom education particularly in the combination of subjects leading to a degree, and this is an advantage that should be fully exploited in the interests of sound education. Indeed, the Committee has been strongly impressed through all its deliberations by the need to secure flexibility in the application of the system to varying conditions in the country. Also, with the Correspondence method it is possible and, in the view of the Committee, essential to achieve results with economy since many items of expenditure in the regular system of education at day and evening colleges are eliminated.

5. The Committee has considered these matters very carefully, drawing upon the experience of other countries such as Australia, Scandinavian countries, the U.K., the U.S.A. and the U.S.S.R., and is convinced that if the scheme is consistently operated by exacting and skilled teachers and educational administrators, standards need not and will not suffer. Academic standards are determined by several factors such as admission standards, well-prepared instructional materials, easy-to-understand texts, ample exercises in the application of knowledge, pretested and constantly revised courses, careful correctional and instructional service, invigilated examinations of quality, careful administration and fair marking standards set for passing examinations. Indeed, the opinion is held that under the Correspondence method it is possible for persons with concentration and discipline to become better instructed and educated graduates than those at present produced by some affiliated colleges.

6. The scheme contemplated by the Ministry of Education aims at providing additional opportunities for several thousand students. Some of these are educated students who wish to continue their education. Others are persons who have been denied these facilities to-date and are at present in full-time employment or are, for other reasons, prevented from availing themselves of facilities at colleges.

Ensuring Quality with Economy

7. The Committee has given much thought to how Correspondence Courses should be organised so as to be both educationally effective and economic. It has reached the conclusion that at least under present conditions Correspondence Courses in India leading to a degree or equivalent qualifications should be administered by Universities only. Indeed, the Committee would go further and say that it would not be advisable on academic and other grounds to establish any separate institution concerned exclusively with such Correspondence Courses. For the maintenance of academic standards, it is essential that Correspondence Courses should be part of a wider academic framework that is provided by Universities. In addition to

such courses, there may be other trade and industrial courses run by professional bodies that may lead to special or specific qualifications, but this Report is not concerned with such courses.

8. The Committee regards Correspondence Courses as a step designed to expand and equalise educational opportunity. If adequate care is taken in terms of para 7 above, it should be possible to achieve this objective through the Correspondence method without diluting standards. The Committee is of the view that for the present Correspondence Courses should be confined to the first University degree.

9. In courses contemplated for the first degree, the Committee holds the view that for a part of the course, there should be personal contact between teacher and taught. While it is difficult to be precise about the duration of such "contact" classes, the Committee would recommend that the period should be about three weeks a year, and that the classes should be organised on a tutorial in preference to a lecture basis. Where the teachers and the University running the courses are not themselves able to run such "contact" classes, it should be possible for the University to make alternative arrangements with a University or local educational institutions near the residence of the students concerned.

10. In order to maintain educational standards, the Committee feels that it is necessary to associate top-ranking scholars and teachers with it in the preparation of courses and the selection of textbooks, "writing the teacher into the text". This is highly specialised work requiring both aptitude and training and implies the collaborative effort of teachers, writers and editors. It must be reiterated that Correspondence Courses at University level are being organised for the first time in Indian education. Writers who can "write the teacher into the text", and instructors able to correct written scripts and advise regularly on them in writing will in general require some training and even continuing guidance. The Committee feels strongly that there should be some arrangement to organise the work done by them with a view to ensuring continuing improvement in the quality of this work. It is hardly necessary to stress that the success of the entire scheme will depend upon the competence, resourcefulness and dedication of the staff that runs the courses.

Administration of Courses

11. The Committee has considered the subject-fields in which it would be advisable to start work and is of the view that, in the first instance, the scheme should be limited to subjects in the Arts and Commerce faculties. In later years, Science and Technology could be introduced. Indeed, there is reason to suppose on the experience of Australia, the U.K., the U.S.A. and the U.S.S.R. that the Correspondence method has succeeded better in fields in which study is concrete rather than abstract. The Committee's reason for suggesting that the teaching of Science should be delayed is because this calls for greater organisational effort.

12. Normally a Correspondence Course should take appreciably longer than the ordinary degree course, say, four years in lieu of the usual three. It is, however, conceivable that outstanding students may be found taking the Correspondence Courses and for them it should be possible to compress the course to three years. There should be three written examinations, suitably spaced. In addition, for Correspondence Courses, it is advisable in the

Committee's view to have a *viva* to assist students rather than to intensify their screening. In other words, candidates should be "*vivaed*" up: they should never be "*vivaed*" down.

13. Fees for students applying for these courses should be reasonably high in the first year, but should be progressively lower in the second and third years, and, perhaps, if this is possible, be eliminated altogether in the fourth year.

14. Apart from the "contact" classes mentioned in para 9 above, the Committee wishes to recommend two supplementary aids in the shape of (a) Refresher Course in which instructors and students could come together and bridge the gap that is inherent in the Correspondence system and (b) the use of radio and television to assist the bridging of the gap already referred to. Both these will raise standards in spoken language and will correct a too easy reliance upon the written word. Furthermore, the Committee feels that it must underline the very important role played in the Correspondence system by a textbook library containing many copies of the same book and supplementary books. The Correspondence Course system implies the constant use by the student of a library service. It is the duty of the authorities concerned with Correspondence Courses to guide and encourage students to draw on the literature available in a library. The Committee, therefore, recommends that adequate provision should be made to build up such a library in any University that undertakes to run Correspondence Courses.

15. Early in its deliberations, the Committee, in consultation with the late Prof. N. K. Sidhanta, Vice-Chancellor, Delhi University, who was a member, suggested that this University might operate the scheme in 1962. The University of Delhi agreed to the proposal and appointed a Sub-Committee to go into the detail of its operation. On the basis of the Sub-Committee's recommendations it has been decided that the Courses should be restricted, in the first instance, to English, Modern Indian Languages, Mathematics, Economics, Political Science, History and Commerce. It would however be advisable in the Committee's view as stated in para 11 for Science subjects to be incorporated into the scheme as early as possible.

16. As the *raison d'tre* of the Correspondence scheme is that it is not circumscribed by physical conditions such as proximity and physical accommodation, but can take in students at great distances as well as make available to students in remote areas the best teachers available, the Committee is of the view that Delhi University should be enabled to cater for students in all parts of the country. Under its Act, the University could not previously organise Correspondence Courses. It has, therefore, been necessary to amend the Act. It has been amended *vide* Delhi University (Amendment) Act, 1961, as published in the Gazette of India Extraordinary Part II, Section I, dated December 20, 1961, so as to enable the University to cater for Correspondence students in all parts of India. The Act came into force on February 1, 1962.

17. The view has been expressed that "the scheme of teaching through correspondence should be a self-paying proposition as the income from fees should be more than sufficient to meet the expenses of the scheme. In view of this and having regard to the fact that only block grants are paid to Universities through the University Grants Commission.......................it is undesirable to specify any particular grants for the scheme at this stage". The

Committee has considered this matter at length and agrees with the view that it should be possible to organise Correspondence Courses on a self-paying basis. However, in the early stages of the scheme when enrolment is not surely to be very high, it will be difficult to make the Course self-paying. The Committee desires to stress the necessity for maintaining high standards in running Correspondence Courses and, in the short term, it may be necessary for capital and recurring expenditure to be incurred in order to run the scheme effectively. Even so, *per capita* expenditure for Correspondence Courses should be substantially lower than *per capita* expenditure at regular colleges.

18. It is gratifying to note that eleven Universities have expressed their willingness to start Correspondence Courses. As is apparent from what is said above, considerable expenditure will have to be incurred in the preparation of teaching materials if quality is to be ensured and maintained. To do this without making the scheme unduly expensive, it will be necessary to enrol adequate numbers. In the case of Correspondence Courses it would be unwise to multiply "overheads" by having a number of Universities preparing teaching material which may be more or less similar. It would be much better, to the extent possible, for teaching material prepared by one University, or several Universities on a co-operative basis to be utilised by all Universities running Correspondence Courses. For all these reasons, the Committee feels that for some time to come Correspondence Courses should be run by one University only, namely the University of Delhi. The Committee feels that the volume of correction in the Correspondence system is so great and its nature so monotonous that staff placed exclusively on this job, will tend to grow weary of the work. It, therefore, suggests that the work of correcting assignments should be divided over a large number of competent people, including teachers outside the Correspondence Course Departments, who could do the work on a part-time basis.

Need for Informed Publicity

19. In view of the doubts that have been expressed by the public and in the press on the difficulty of providing economic education of a high standard through Correspondence, the Committee has considered the desirability of producing for public information literature on the scheme, describing the means whereby these objectives can be reached, and large numbers educated through Correspondence as competently as, and more economically than at Universities and affiliated colleges. A pamphlet on this subject has been prepared by the Committee and will be distributed to the public. It will be available with the Ministry of Education.

20. In implementing the Delhi University scheme, the Committee considered the Report of the Working Group and generally accepted its recommendations that are cast as an Appendix to this Report.

21. The Committee would like to express its gratitude to Dr. Homer Kempfer. His expert advice and assistance, so generously placed at its disposal, have been of the greatest value to it in its work. Its thanks are also due to Mrs. Muriel Wasi, Member-Secretary of the Committee, for her devoted work and valuable assistance throughout its deliberations and in the preparation of the Report.

Summary of Recommendations

(i) The Committee recommends that Correspondence Courses leading to a degree or equivalent qualifications should be administered by Universities only. (Para 7).

(ii) For the present, Correspondence Courses should be confined to a first University degree. (Para 8.)

(iii) For part of the Course there should be personal contact between teacher and taught, "contact" classes being organised on a tutorial in preference to a lecture basis. (Para 9.)

(iv) To maintain educational standards, it is necessary to associate top-ranking scholars and teachers with the preparation of courses and the selection of textbooks. Some arrangement should be made to organise work by staff so as to ensure continuing improvement in the quality of work. (Para 10.)

(v) The Correspondence method is susceptible of use in both Science and the Humanities. However, for the present in view of organisational difficulties, the Committee recommends that the Courses be started only in the faculties of Arts and Commerce. Science should be incorporated as early as possible. (Paras 11 and 15.)

(vi) For a first degree, Correspondence Courses should normally take longer than for a degree at a regular college, say, four years instead of the usual three. Outstanding students may, however, be able to compress this into a period of three years. Flexibility in all matters relating to the application of the system to varying needs is strongly recommended. (Para 12.)

(vii) Fees for students applying for these courses should be reasonably high in the first year but should be progressively lower in the second and third years and perhaps, if this is possible, be eliminated altogether in the fourth year .(Para 13.)

(viii) Two supplementary aids (a) Refresher Courses and (b) use of radio and television are recommended in order to raise standards in spoken language and to correct a too easy reliance on the written word. (Para 14.)

(ix) Correspondence Courses should be run in the first instance by one University, *i.e.*, the University of Delhi, and the subjects to be included in the course as well as the details of administration should be as suggested by the Working Group. (Para 15 and 18 and Appendix.)

(x) It is important to ensure that the scheme is administered so as to achieve economy. This will be possible in virtue of the fact that items of expenditure normal at regular colleges can be eliminated under the Correspondence system, and also if an adequate number of students is provided for so as to reap the benefits of large-scale organisation. (Paras 4, 16, 17 and 18.)

APPENDIX

UNIVERSITY OF DELHI

CORRESPONDENCE COURSES

Report of the Delhi University Working Committee

(1) The Correspondence Course for B.A. (Pass) Degree will be started from the academic year 1962 and the subjects offered will be limited to the following :—

English, Modern Indian Languages (Hindi, Urdu, Bengali, Punjabi, Sindhi, Tamil, Telugu, Kannada and Malayalam), Mathematics, History, Political Science, Economics and Commerce.

The combination of subjects will be as follows :—

English, Modern Indian Language, and any two of the remaining five subjects.

NOTE.—To begin with, for the admission in 1962, Modern Indian Language will be confined to Hindi only and in the course of the year it will be determined for which other Modern Indian Langauges provision of instruction can be made for the subsequent years.

(2) Those candidates who did not offer Hindi for the Higher Secondary Examination of the Board of Higher Secondary Education, Delhi or the Matriculation Examination of an Indian University or an examination conducted by some public body in India and recognised as equivalent to either of the aforesaid examinations, shall be permitted to offer any two of the three papers in any of the above subjects from the B.A. (Pass) Course which they have not otherwise offered.

(3) The syllabi and examination will be identical with those prescribed for the regular students.

(4) The duration of the course will be three years for those who have passed the Intermediate or equivalent examination and four years for those who have passed the Higher Secondary or equivalent examination.

(5) For the first batch of students, the final University Examination will be held in September 1965 for those who have passed the Intermediate Examination, and in April 1966 for those who have passed the Higher Secondary Examination.

(6) The fees charged will be Rs. 250 for the first year, Rs. 200 for the second year and Rs. 150 for the third year in the case of those who have passed the Intermediate Examination and for those who have passed the Higher Secondary Examination, the fees charged will be Rs. 250 for the first year, Rs. 200 for the second year, Rs. 150 for the third year and Rs. 100 for the fourth year. The students will be required to pay registration fee and the University enrolment fee and such other fees as may be prescribed from time to time by the University.

(7) The medium of instruction will be English for the present except for the Modern Indian Languages.

(8) To begin with, about 400 students (men and women) will be admitted in the first year.

(9) Admissions will be open to persons all over India and will be by selection on merit.

(10) The minimum age for admission will be completion of 16 years on the first October of the year in which admission is sought.

UNIVERSITY OF DELHI

STATEMENT SHOWING ESTIMATED INCOME & EXPENDITURE ON THE CORRESPONDENCE COURSES

	FIRST YEAR 1962-63*	SECOND YEAR 1963-64	THIRD YEAR 1964-65	FOURTH YEAR 1965-66
RECURRING EXPENDITURE				
STAFF				
(1) Academic Staff (pay and Allowance)	1,90,000	3,00,000	3,85,000	4,30,000†
(2) Non-Academic Staff	65,000	75,000	85,000	90,000
(3) Other Allowances and Honoraria	1,000	1,000	1,000	1,000
TOTAL	2,56,000	3,76,000	4,71,000	5,21,000
OTHER CHARGES				
(1) Equipment	3,000	3,000	3,000	3,000
(2) Printing & Stationery	40,000	50,000	60,000	60,000
(3) Contingencies	15,000	30,000	45,000	45,000
(4) Postage	2,000	3,000	4,000	4,000
TOTAL	60,000	86,000	1,12,000	1,12,000
GRAND TOTAL	3,16,000	4,62,000	5,83,000	6,33,000
NON-RECURRING EXPENDITURE				
(1) Equipment & Library books	25,000	25,000	25,000	25,000
INCOME				
(1) Estimated Income	1,00,000	1,80,000	2,40,000	2,50,000

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*The estimates are for the full year.

†The Scheme will come into full operation in the fourth year, beginning from 1962-63. The Academic Staff will consist of one Director (Rs. 1,000-50-1,500), seven Associate Directors (Rs. 700-1,100) and 21 Assistant Directors (Rs. 400-800). Text writers (50 lessons per year in each subject) will be paid at Rs. 50 per lesson.

The number of Assistant Directors is on the basis of an enrolment of about 1,300 students.

REPORT OF THE EXPERT COMMITTEE ON EVENING COLLEGES AND EVENING CLASSES

In March 1961, the Ministry of Education appointed an Expert Committee to work out the pattern and relevant details of Evening Colleges in India in terms of a Central Advisory Board of Education Resolution passed at the Board's 28th meeting held at New Delhi on January 16 and 17, 1961 :—

> "The Board approved in principle the scheme of Evening Colleges providing arts, science and professional courses of the same standard as those in the day colleges and recommended that a small committee should work out the details."

2. A Committee was constituted with the following personnel :

Dr. D. S. Kothari . . . . . . (*Chairman*)	Chairman, University Grants Commission
Prof. T. M. Advani	Principal, Jai Hind College, Bombay
Dr. Homer Kempfer	T. C. M. Consultant on Correspondence Courses and Adult Education, New Delhi
Mr. P. N. Kirpal	Educational Adviser to the Government of India
Dr. P. Parija	Vice-Chancellor, Utkal University
Dr. Ram Behari . . . . . (*Appointed in place of Prof. N. K. Sidhanta in January* 1962)	Professor and Head of the Department of Mathematics and Statistics, University of Delhi
Prof. N. K. Sidhanta . . . . (*Died in December* 1961)	Vice-Chancellor, Delhi University
Dr. Hans Simons	Consultant on General Education, University Grants Commission
Dr. P. D. Shukla	Deputy Educational Adviser, Ministry of Education
Mrs.Muriel Wasi . . . . . (*Member-Secretary*)	Deputy Educational Adviser, Ministry of Education

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Mr. R. K. Chhabra, Assistant Secretary, University Grants Commission, was coopted. Unfortunately, Prof. Sidhanta, who attended the meetings in July and September 1961, died in December of that year. The Committee wishes to place on record its deep appreciation of his valuable contribution to its deliberations and its sense of sorrow and loss at his untimely passing. The vacancy caused by his death was filled by Dr. Ram Behari, Professor and Head of the Department of Mathematics and Statistics, University of Delhi.

3. The Committee met ten times in all, on 7th July and 22nd September 1961, 29th January, 9th March, 11th May and 21st May, 9th July and 28th July, 30th August and 1st October, 1962.

4. In all countries in which education is democratically organised, it has invariably been found that it is not possible to accommodate at the Day Colleges of universities all those who are entitled to higher education. A certain proportion of the student population has had to forego a University education in order to meet economic demands that are made upon it at an early age. This class may consist *inter alia* of deserving members of the community, who are unable to improve their qualifications and so to compete for, and hold higher positions in the Government and the public service. There is, therefore, a real educational and social need for Evening Colleges, as there is for Correspondence Courses both of which provide men and women with the continuing opportunity to improve, enlarge and bring their education up-to-date. Correspondence Courses have already been provided and this report is concerned with the additional provision of more evening classes to supplement facilities for continuing education. In the United Kingdom, the United States of America and the U. S. S. R., Evening Colleges have been established to take care of this category of the population. Birkbeck College in the University of London has made history in the last 125 years for the "internal" students it accepts, who are willing and able to devote their leisure to study. The hours of work at this College are 5.30 P.M. to 9.00 P.M.

5. The University Education Commission report recognised the role of Evening Colleges in Higher Education and took the view that these Colleges/Classes should be for full-time workers. They would have to be held in buildings of ordinary colleges, but staff should be separate as no teacher could possibly teach in the evenings in addition to teaching day classes. Not staff only, but all the employees of the evening classes should be constituted into an organisation separate from the day institution.

6. While being in general agreement with the University Education Commission on its approach to Evening Colleges/Classes, the present Committee feels that in the light of present conditions it may be necessary to revise this recommendation. With a swiftly developing economy and a higher demand for higher education, apart from the fact that facilities may have to be provided for employed persons who have not had the opportunity to join a College for higher education, evening classes will have to cope with a higher number of ordinary students every year. Evening classes can no longer be reserved for employed persons only. Unorthodox problems in education call for unorthodox solutions, and the problems that confront us today in Indian University life are unorthodox. That is why the Committee earlier recommended the adoption in at least one University of Correspondence Courses leading to a first degree. It was an essential part of the Committee's recommendations on the Correspondence Scheme that it should be informed by the principle of flexibility, so that the varying resources of different parts of India were used to their highest logical potential. The Committee wishes to make the same basic recommendation for Evening Classes. The need for flexibility in interpreting all recommendations relating to these classes under the Third Plan cannot be overemphasised. In the Committee's view, it is essential that the staff recruited for evening classes, whether academic or ministerial, should be of the same calibre as the staff recruited for day colleges and should be capable of being interchanged with day college staff. As already indicated above, there are

two views with regard to the appointment of the staff, *i.e.*, whether the staff should necessarily be the same for the evening and the morning classes or must be separate for evening and day classes. The Committee is of the opinion that no strict criteria can be laid down in this regard and that it must be left to be determined in each case according to the convenience of the institution. The determining factor in employing staff anywhere is the load that teachers etc. can carry without detriment to the quality of their work in the short and the long run. If the load borne by teaching staff recruited for day college work is such that additional work at non-day colleges is possible without lowering academic standards, the Committee sees no reason why staff employed at day colleges should not be employed at evening, *i.e.*, non-day colleges.

7. The demand for higher education in India has increased very markedly in the last ten years and in response to this demand, student enrolment has risen from 4,59,024 in 1951-52 to 11,55,380 in 1961-62. It is expected that at least 120 additional colleges will come into being every year for the remaining years of the Third Five-Year Plan. Even so, for some time to come it is clear that the demand for University education will exceed the supply of facilities for it in Day Colleges. This demand is accounted for partly by full-time employees, partly by others who cannot attend normal colleges. In consequence, in addition to Correspondence Courses, that have been started by the University of Delhi this year, it will be necessary to increase the number of Evening Colleges/Classes (to be used hereafter in the Report to cover any non-day college) in existence. To the question of how many additional evening colleges should be brought into being during the remaining years of the Third Plan, bearing in mind the need to maintain high academic standards, the Committee has addressed itself in the course of its several meetings.

The Committee observed that Evening Colleges/Classes were already working in Delhi and Calcutta Universities, and that the Bombay University had devised alternative arrangements for providing facilities for students in the mornings and evenings. The Committee set up a small sub-committee to visit the three Universities and to submit a factual survey regarding the working of the scheme in these three Universities. The main points made by the Sub-Committee are given in the appendix.

8. The present position in regard to Evening Colleges may be summarised as follows:—

(a) They provide educational facilities generally up to the first degree level in the Humanities, Law and Science. In Delhi, provision was also available for post-graduate teaching in Arts and in Calcutta facilities are provided for teaching Honours Course in certain subjects.

(b) In certain cases, they are open only to employed persons and the institutions insist upon the production of a certificate of employment—in other cases the institutions do not insist on any certificate but give preference to employed persons and in other cases the classes are open both to employed and unemployed persons.

(c) They are organised by the existing Universities in the Colleges running Day Classes and no additional buildings are provided for.

(d) They are intended for local students only *i.e.*, no hostel accommodation is provided.

(e) They always function on the premises of the day colleges.

(f) The duration of the degree course at Evening Colleges is normally the same as for the Day classes except in the case of Bombay where part-time courses are being introduced and the duration of the Intermediate Course and the Degree Course is three years each instead of two years.

(g) Separate teaching staff is appointed for the Evening Colleges as whole-time staff.

(h) Most evening colleges have good libraries, but not all have good library services. Extra-curricular activities are a point that do have to be considered, but it is recognised that it is not always possible to supply these to the extent to which they are available in day colleges.

9. Facilities for employed persons and others to pursue their University studies in evening classes and to obtain a degree/diploma exist today in the Universities of Agra, Bihar, Calcutta, Delhi, Gujarat, Gauhati, Jabalpur, Jadavpur, Karnatak, Osmania, Punjab, Rajasthan, Saugar, Vikram and Utkal, and also at the Indian Agricultural Research Institute (Delhi) and the Indian Institute of Science (Bangalore).

10. The main conclusions reached by the Committee are given below:—

(i) Evening Colleges/Classes are a sufficiently important element in Indian University education today to be entitled to a clear and deliberate educational policy of their own. They should not be lumped in with other courses of education and treated as a spillover from day colleges. In addition to the flexibility that the Committee has recommended earlier for undergraduates it regards it as important to provide at Evening Colleges/Classes for refresher courses for teachers at present in service. This will make possible that sharpening of abilities and skills at various stages of the teaching profession that may have declined owing to the monotony of the work done. The Committee also recommends that Evening Colleges/Classes should go in for professional courses with provision of both degrees and diplomas.

(ii) The Committee is strongly of the view that it is not necessary to confine the subjects of study in Evening Classes to Arts and Commerce but that the scope of these classes should now be widened to take in various branches of Science, Education, Teacher-Training and Technology. In this connection, the Committee observes with interest that the Ministry of Scientific Research and Cultural Affairs has under consideration a scheme of part-time courses for Diplomas in Engineering that has an immediate bearing on the introduction of Technology into non-day engineering classes. The Committee endorses the need for such courses and believes that they will greatly add to the educational and economic value of the Evening Class scheme. It may also be worth considering whether Evening Classes should not take in such very important subjects as Librarianship in which there is a shortage of trained personnel and other skills for a diploma such as shorthand and typing and the Fine Arts of Music, Painting, Drama and the Dance. In all these matters, the view of the University on what subject to include will necessarily be final, but in accordance with the Committee's general principle of flexibility in adopting the Evening Class Scheme it recommends the teaching of new subjects and skill in these classes.

(iii) There is also a need to consider various other and new developments that appear not to have been considered to-date. One of these is the possibility of starting an institution as an evening college and then enlarging its structure to run classes through the morning and the day so as to meet the needs of students in large cities. Increasingly it is important to bring classes to the student, not the student to classes, and to provide learning facilities so as to fit the students' convenience.

(iv) The choice of a college for the Evening Classes Scheme is a matter of some importance. The Committee believes that the best colleges are in the best position to effect this expansion without lowering academic standards, and to provide library and extra-curricular activities. In addition, it is such colleges that will be best equipped to develop post-graduate teaching and research in evening classes and this is now necessary. Where college buildings are inadequate for these extended activities, it may be necessary to press school buildings into service.

(v) The Committee has observed that there are colleges in Calcutta, for instance, that have specialised in a particular faculty, *e.g.*, Commerce. This is a wise decision since it is a guarantee of high standards of achievement in at least one faculty. It may also make for the most economic distribution of work among various colleges. Students will tend to go to a college that has specialised in a particular faculty, leaving other colleges free for other specialisations. The Committee recommends that this policy be more generally adopted.

(vi) Bearing in mind the need for flexibility in operating Evening Colleges, the Committee recommends that any form of organisation, whether integrated with the day college or separate, that realises the best administrative-*cum*-educational results, may be adopted. It is not absolutely essential to have an entirely separate structure for the Evening College. Indeed, there are advantages in having an integrated management that will be aware of the precise teaching load of members of staff who are interchangeable between day and evening sessions.

(vii) It is necessary for library services to be extensive and efficient for where teacher-student contact, owing to the size of the classes is necessarily limited, a corresponding reliance upon library services becomes inevitable. It is observed that even where libraries are adequately stocked, library services leave something to be desired. These services include the provision of trained personnel who are in a position to deal with individual and collective requests and can help students by organising library seminars and discussions as well as an abstraction service for the quick assimilation of important and topical information. This is a high priority in the administration of Evening Classes.

11. The Committee has also addressed itself to the question of what financial assistance should be offered to various Universiites proposing to start Evening Colleges during the Third Plan period. It is evident that of the Universities that have so far sought assistance under the Ministry of Education scheme, there is some uncertainty as to whether or not the University will be in a position to finance the entire scheme at the end of the Third Plan. This matter has been carefully considered and the Committee is of the view that (i) as the scheme of non-day colleges does not envisage capital expenditure in the form of buildings and (ii) as a guarantee of being able to continue the scheme at the end of the Third Plan is difficult for the Universities to give without obtaining the consent of the Planning

Commission, the best line to take at present would be to grant assistance within the provision available on the same pattern as each State Government gives to the colleges at present within its jurisdiction. It has to be stressed in communicating with Universities that as the Government of India is in no position to support the scheme after the Third Plan, the request for assistance from a University would imply the assurance of its ability to meet this expenditure itself at the end of this period. It would be desirable for the Universities to keep the State Governments concerned involved. The Committee makes the following recommendations on financial assistance :—

(i) The Scheme of Evening or Non-Day Colleges is essentially good and must be supported. Efforts should be made to provide new colleges wherever the demand for them exists. Unfortunately, the funds placed at the disposal of the Government of India for this purpose are limited and, bearing this in mind, the Committee recommends that at least a few colleges should be supported in every State that requires them.

(ii) In order to qualify for financial assistance from the Central Government, a college when functioning at its full strength should have not less than 600 students on its rolls and not more than 1200.

(iii) An Evening College should utilise the physical facilities available at a corresponding Day College in that State. Little additional expenditure should be incurred on buildings or on other capital items such as furniture. Where college buildings are not available, suitable school buildings not in use at given periods of the day should be pressed into service.

(iv) Financial aid given by the Central Government to an Evening College should be on precisely the same basis as that given by the State Government to a corresponding day college in that State.

(v) Financial aid at present can be given only up to the end of the Third Plan.

12. The Committee would like to record its thanks to Dr. Homer Kempfer (TCM Consultant on Correspondence Courses) for his expert advice and assistance unreservedly placed at our disposal. We are grateful to Mrs. Muriel Wasi (Member-Secretary) for her devoted work and valuable contribution in the preparation of the Report. Our thanks are due to Shri R. K. Chhabra, Assistant Secretary, University Grants Commission. We owe much to him in connection with the work of the three Fact-Finding Sub-Committees.

Summary of Recommendations

1. Evening or Non-day Colleges are a sufficiently important element in Indian University education today and are entitled to have a deliberate policy formulated for them. [10 (i)]

2. Evening Colleges/Classes should also go in for professional courses with provision of both degrees and diplomas in engineering, librarianship, [10 (i)]

3. The Evening Colleges/Classes should undertake the teaching of new subjects and skills such as Shorthand and Typing and the Fine Arts of Music, Painting, Drama and Dance. [10 (ii)]

4. The possibility of starting an institution as an Evening College and then enlarging its structure to enable it to run classes through the morning and the day may be explored. [10 (iii)]

5. Some Evening Colleges have specialised in particular faculties. As such specialisation guarantees a high standard of achievement in that faculty, the policy of specialisation may be more generally adopted. The organisation of Evening Colleges/Classes could, with advantage, be integrated with Day Colleges to achieve the administrative-*cum*-educational results. ([10(v) & (vi)]

6. An Evening College should utilise the physical facilities at present available at a corresponding day college or school, and little additional expenditure should be incurred on buildings or on other capital items such as furniture. [11 (iii)]

7. To qualify for financial assistance from the Government of India, an evening college when functioning at its full strength should not have less than 600 and not more than 1,200 students on its rolls. [11 (ii)]

8. Financial aid should be given by the Government of India to Evening Colleges/Classes on the same basis as is given by the State Government to day colleges in the State. [11 (iv)]

9. Financial aid at present from the Government of India should cease at the end of the Third Plan. [11 (v)]

सत्यमेव जयते

APPENDIX

(a) **Delhi University:** After the closure of the Camp College which had provided facilities for employed persons for under-graduate and the post-graduate classes, the Delhi University agreed to start under-graduate classes for B.A. (Pass) students in the evening for employed persons in the four affiliated colleges. The University itself started a Post-graduate Evening College in the University for Arts subjects only. Both in the classes held in the Colleges and the University, separate staff was appointed for morning and evening classes. The duration of the courses both in the under-graduate and the post-graduate courses was the same as for regular day college students. Tuition fees charged were also exactly the same as for day classes. These classes have since been placed on a permanent footing. The Principal of a Day College is in overall charge of the evening classes, but the Vice-Principal is provided to look after the evening classes only. For the Post-graduate Evening College, the University has appointed a whole-time Principal. The Colleges have been permitted to enrol students up to the limit to which they are entitled to enrol them in the day classes.

(b) **Bombay University:** The position in Bombay is different from that of the other Universities. Till recently, the Bombay University had permitted the holding of classes from morning 7.30 A.M. till about 5.00 P.M. The morning was utilised for Arts classes and the Science classes were held during the day. Two years ago, the University introduced a scheme to provide facilities for "non-collegiate" students to appear at its examinations. Those students were given lectures under the auspices of the University to the extent of about one-third of the prescribed courses. The University authorities had felt that this system had not worked satisfactorily. The University has now taken the following decisions:

(1) the term 'non-collegiate' may be dropped;

(2) affiliated colleges of the University which so desire may be permitted to enrol besides their regular number, an additional number of Arts students as laid down by the Syndicate for being instructed on a part-time basis;

(3) classes for these students may be held in the morning or in the evening as it suits the colleges and students;

(4) the students enrolled on a part-time basis should be taught the full course of studies leading to the First Year Arts, Intermediate Arts and the B.A. examinations of the University but the period over which instructions would be extended would be 1½ times the period needed for full-time students;

(5) part-time students would be charged a consolidated fee of Rs. 75 and would be provided with facilities of the use of the library and extra-curricular activities, in the same way as for regular full-time students;

(6) teaching of both groups of Arts students should be by the same staff, subject to the over-all condition of not exceeding the maximum teaching load including tutorials per teacher per week, and wherever on account of requirements of the time-tables a teacher has to

attend to day and morning/evening classes on the same day necessitating his coming to the college more than once, the college may provide suitable conveyance allowance to him/her ;

(7) part-time students should be subject to the same rules of attendance, instruction, conduct and progress as obtain in the case of students enrolled on a full-time basis ;

(8) colleges may devise their own machinery for the proper supervision of the instructional arrangement of part-time students ;

(9) the strength of a class of a part-time group should be 75 and the Syndicate might in exceptional cases permit a large number within 10 per cent ;

(10) the present non-collegiate students may be provided with the option of joining any of the colleges under these arrangements subject to such conditions as may be laid down by the Syndicate that if they do not wish to avail themselves of the arrangements made for instruction of part-time students, the present arrangements may be continued until they are taken to the Intermediate Arts stage ;

(11) hours of work may be restricted in the Arts and Science Colleges from 9.00 A.M. to 5.00 P.M. with effect from the academic session beginning June 1962 subject to the condition that the restriction will become operative with regard to the First-Year Arts enrolment in June 1962 and will progressively become operative for students for the subsequent years over a period of three years so that it may be fully implemented by June 1965.

(c) **Calcutta University** : In Calcutta University till recently the Colleges provided facilities in the mornnig for girls, during the day for boys, and again in the evening for boys. These classes were run under the management of one Governing Body, with one Principal who was assisted by a Vice-Principal for each of three shifts. On the recommendation of the University Grants Commission, it has been decided that different classes should be run by separate colleges with independent Governing Bodies and separate staff. In fact what has happened in Calcutta is that in a particular building, classes are held in three shifts under three different names ; one in the morning from 6.15 A.M. to 10.15 A.M. ; the second from 10.30 A.M. to 5.00 P.M., ; and the third shift from 5.30 P.M. to 9.30 P.M. Though located in the same buildings, the Colleges have separate Governing Bodies, separate Principals and separate teaching and non-teaching staff. These Colleges provide facilities for the B.A., B.Sc. and B.Com. classes in all three shifts. Though in the evening shifts preference is sometimes given in admission to employed persons, there is no bar to students, who have not been employed, seeking admission to the so-called "Evening Colleges". These colleges also provide for Honours Teaching in Arts subjects. Tuition fees charged in all shifts are uniform.

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Annual Plan
Progress Report
1966-67

CONTENTS

PAGE

I. Performance of the Economy 1

II. Plan Outlay and its Financing 11

III. Agriculture and the Rural Economy 21

1. Agricultural Production 21
2. Forests and Soil Conservation 28
3. Animal Husbandry, Dairying and Fisheries 29
4. Subsidiary Foods and Applied Nutrition Programme . . 30
5. Co-operation 31
6. Community Development and Panchayati Raj . . . 34
7. Land Reforms 35
8. Rural Works Programme 37

IV. Irrigation 39

V. Power 44

VI. Industries and Minerals 49

VII. Village and Small Industries 67

VIII. Transport and Communications 75

IX. Education 80

X. Scientific Research and Natural Resources 84

XI. Health, Family Planning and Water Supply 89

XII. Housing and Urban Development 96

XIII. Welfare of Backward Classes 101

XIV. Social Welfare 105

XV. Craftsmen Training and Labour Welfare 107

XVI. Rehabilitation 110

XVII. Public Cooperation 112

XVIII. Other Programmes 115

Appendices 121

सत्यमेव जयते

LIST OF APPENDICES

PAGE

2.1 Plan Expenditure, 1966-67—States 121
2.2 Plan Expenditure, 1966-67—Union Territories 122
2.3 Plan Expenditures (Actuals) 1964-65 to 1966-67 (Centre, States and Union Territories) 123
2.4 Selected Physical Targets and Achievements, 1966-67 . . . 126
2.5 Financing of Plan Outlay at the Centre and in the States, 1966-67 129
4.1 Plan Expenditure on Major and Medium Irrigation and Flood Control Schemes, 1966-67 132
4.2 Irrigation Potential created and Utilisation at the end of the Third Plan and during 1966-67 133
5.1 Plan Expenditure on Power Programmes, 1966-67 134
5.2 Targets and Achievements for Additional Power Generating Capacity, 1966-67 135
5.3 Installed Capacity and Maximum Demand for Power met in 1965-66 and 1966-67 137
5.4 Progress of Rural Electrification 138
6.1 Index Numbers of Industrial Production 139
6.2 Industry and Minerals : Capacity and Production achieved during 1965-66 and 1966-67 140
6.3 Plan Expenditure on Central Industrial and Mineral Projects 1966-67 144
7.1 Plan Expenditure under Village and Small Industries, 1964-67 148
8.1 Transport and Communications—Plan Expenditure, 1966-67 (Centre, States and Union Terrritories) 149
11.1 Health and Family Planning Programmes; Physical Targets and Achievements during 1966-67 150
11.2 Plan Expenditure on Water Supply Schemes during 1966-67 . 151
12.1 Transport and Communications—Expenditure on Housing Schemes in the State Plans, 1966-67 152
12.2 Plan Expenditure under Central Sector Housing Schemes, 1966-67 153
12.3 Housing Schemes : Physical Targets and Achievements, 1966-67 154
14.1 Plan Expenditure under Social Welfare, 1966-67 155

CHAPTER I

PERFORMANCE OF THE ECONOMY

1966-67 was another difficult year for the Indian economy. The monsoon failed for the second year in succession, and a large part of the country suffered from want of timely and adequate rainfall. As a result agricultural production stagnated around the previous year's level which was itself 16 per cent lower than in 1964-65. Shortage of foodgrains and agricultural raw materials persisted and large imports had to be made to maintain availability even at a very much reduced level. Growth of industrial production further slackened and national income in real terms registered only a marginal increase. Exports fell and the strain on the balance of payments remained unabated. Credit policy continued to be restrictive, yet money supply increased faster than real output. Prices rose sharply and wage pressures developed. Resources for development shrank, investment climate deteriorated and investment decisions were deferred. Both the rate of domestic savings and the rate of investment declined.

Agricultural Production

The Annual Plan laid special emphasis on quick yielding programmes of agricultural production. The main plank was the new strategy for agricultural development involving extension of area under high yielding variety of seeds supported by greater availabilty of fertilisers, pesticides, irrigation facility and credit to farmers. Despite adverse weather conditions in several States, over 67 per cent of the targeted area for paddy and about 84 per cent of the targated area for wheat was brought under high yielding seeds. Minor irrigation was extended to an additional area of 3·4 million acres. Distribution of nitrogenous fertilisers was 53 per cent more than in 1965-66 and its level nearly twice that of 1964-65. Area under plant protection was likewise 50 per cent larger than in the preceding year. Disbursement of short and medium term credit through cooperatives increased from Rs. 345 crores in 1965-66 to Rs. 365 crores in 1966-67. Long term loans from land mortgage banks amounted to Rs. 60 crores in 1966-67, as against Rs. 58 crores in the preceding year.

The production of foodgrains improved over the 1965-66 level in ten States and in three of them even the level reached in 1964-65 was exceeded. A large part of the improvement was, however, offset by the sharp decline in foodgrains production in drought affected areas, particularly in Bihar, Uttar Pradesh and Madhya Pradesh. The net improvement in the total output of foodgrains was, therefore, only marginal. The aggregate output amounted to 75 million tonnes in 1966-67 as against 72 million tonnes in 1965-66 and 89 million tonnes in 1964-65.

In contrast to the marginal improvement in foodgrains production, the index for non-foodgrains production which had fallen from 175 in 1964-65 to 156 in 1965-66 declined further to 148 in 1966-67. The deterioration in non-foodgrains output swamped the improvement in foodgrains production and the Index of Agricultural Production as a whole remained in 1966-67 at 132.4 as compared to 132·7 in 1965-66 and 158·5 in 1964-65.

Industrial Growth

The accent in industrial programmes for 1966-67 was on speedy completion of existing projects and better utilisation of the capacity already created. New projects were limited to those assigned higher priority from the point of view of import substitution and growth of agricultural production. Major additions to capacity during the year were envisaged in respect of steel, aluminium fertilisers, caustic soda, paper and paper boards and machine tools. In addition, better utilisation of existing capacity was expected to yield higher output in steel castings and forgings, jute, paper, sugar and cement machinery, agricultural tractors, diesel engines, ball and roller bearings, commercial vehicles, thermal and hydrogenerators, steam and hydro-turbines, transformers (60 KV and above) and sulphuric acid. Among individual projects taken up during the year, Bokaro Steel Plant, Cochin and Madras fertiliser factories and Gujarat Petro-Chemical complex were important.

Substantial progress was attained in the implementation of industrial programmes during the year. Additional capacity was created in steel, machine tools, electric power generating and transmitting equipment, power boilers, transformers, steel forgings, sulphuric acid, cement and paper. Capacity to produce generating sets was created for the first time and the Heavy Machine Tool Project was commissioned at Ranchi. Several balancing facilities in the foundry forge project in steel plants and heavy electrical plants were provided. The raw film project at Ootacamund, instrument factory at Kotah and the expansion of Bhilai Steel Plant were completed. The Cochin Refinery went on stream and the 2 million-stage of Koyali and Barauni refineries was commissioned. The Madras, Cochin and Durgapur fertiliser projects were taken up for construction.

To attract private investment in fertiliser industry, new units were freed from distribution and price control for the initial period of seven years, Government reserving the right to procure 30 per cent of output on a negotiated basis. A number of new projects in the private sector were approved. These included Goa, Kanpur and Kotah projects. In addition, expansion programmes of Gujarat, and Ennore projects were also approved. In petro-chemicals the naptha cracker of Union Carbide was completed, and the construction of the second cracker in Bombay was in an advanced stage. The project for the fabrication of plates and vessels at Visakhapatnam was taken up and proceeded according to schedule.

To promote better utilisation of capacity, controls under the Industries Development and Regulation) Act, 1951 were relaxed and 42 industries exempted from the licensing provisions. For enabling quick adjustments of production to technological development and changing market situation, licensing requirement was waived and engineering firms were allowed to manufacture new products, provided no additional foreign exchange was involved and the output of new articles did not exceed 25 per cent of total production. From October 1966, industrial firms were also allowed to increase their licensed capacity by 25 per cent without obtaining a fresh licence. Imports of raw materials and components were liberalised for 59 priority industries. Full effect of these measures could only materialise over time. But some improvement in the situation was observed during the year.

There was a marked improvement in the rate of growth of output of several industries. The rate of growth, however, slowed down in the case of industrial machinery, power transformers, electric motors, footwear and paper, and paper products. There was also a decline in the output of agro-based industries like sugar, tea, cigarettes, cotton and jute textiles; and some others like synthetic fibres, transport equipment, particularly railway wagons and commercial vehicles, and metal products. The decline in the output of agro-based industries was mainly because of shortage of agricultural raw materials. Consequent upon poor agricultural production and slower growth of industrial output, the expected increase in freight traffic did not materialise. In fact, railway freight traffic registered a slight decline to 201 6 million tonnes in 1966-67 from 203·0 million tonnes in 1965-66. The case for an increase in rolling stock weakened and railways' own resources for development were depleted. Consequently, railways' purchase of wagons fell from 33,505 in 1965-66 to 21,207 in 1966-67. This not only affected the output of railway wagons but also caused a setback in the production of several intermediate products like steel castings and steel forgings. Items showing slower rate of growth like industrial machinery, power transformers and electric motors were affected by cutback in public and private investment. Industries exhibiting declining trend in output had a weight of around 50 per cent in the Index. These together with those registering a slow-down in the rate of growth of output pulled down the overall rate of growth of industrial production from 4·0 per cent in 1965-66 to 2·8 per cent in 1966-67.

Rate of Growth

The stagnation in agricultural production and the slow rate of growth of industrial production accounted for the small increase in real income during the year. According to the revised series, net domestic product at 1960-61 prices registered a growth of only 2 per cent over the preceding year. A part of this went to offset the decline in net income from the rest of the world. Consequently, net national product or national income rose by 1.7 per cent only. Over 1960-61 the national real income showed a rise of 16.7 per cent. The annual rate of growth on this basis works out to 2.6 per cent (compound) for the period covering the past six years.

Monetary Expansion

In view of the shortage of foodgrains and some other agricultural commodities, monetary policy continued to be restrictive. Bank rate which had been raised from 5 to 6 per cent in February 1965 was maintained at the same level. At the beginning of the slack season, the Reserve Bank advised the scheduled banks to bring about adequate contraction of credit and improve their liquidity ratios by investing in Government securities all fresh accretions to deposits and return flow of funds. Selective controls in the form of prescriptions of ceiling and/or minimum margins also continued in respect of the advances against commodities in short supply, such as foodgrains, oilseeds, sugar, raw cotton and kapas.

Although the tenor of the busy season policy remained restrictive, some relaxation was made to ensure that the demand for credit following import liberalisation was adequately met. While the commercial banks could borrow from the Reserve Bank as before so long as they maintained their net liquidity ratios at 30 per cent or more, a further tranche of refinance at Bank rate was allowed for an amount equivalent to 10 per cent of their actual net liquidity ratios as at the end of the 1966 slack season. But excess borrowings over what the banks were entitled to borrow at the bank rate were subject to the penal rate of 10 per cent. The larger banks were instructed to make available not less than 80 per cent of their seasonal credit expansion to the priority sectors of the economy and against export/import bills.

The above policy, however, attained only a limited success. Money supply went up by 8 per cent or Rs. 377 crores during the year. Though smaller than in the preceding year, the rate of growth of money supply turned out to be larger than the rate of growth of output during 1966-67 as also the average rate of growth of output during 1965-67.

In view of large expansion in bank credit to the private sector, credit policy was further tightened in the first week of March, 1967. Penal rates were made applicable to small and occasional excess borrowings as well. Banks were also advised *inter alia* (a) to exercise control over clean advances and advances against domestic commodities in short supply: (b) refrain from sanctioning and, if necessary, cancel unutilised limits of fresh credit to sectors other than industry and/or against import/export bills; and (c) impose an appropriate percentage cut on the sanctioned limits for trading purposes in their own discretion.

Price Rise and Wage Pressure

The year witnessed a sharp rise of 15·8 per cent in wholesale prices, the average index moving up from 165 in 1965-66 to 191 in 1966-67. This was the highest price rise recorded in any single year. Except liquor and tobacco, which recorded a fall of 4·6 per cent, all other groups registered a rise. Food articles rose by 18·4 per cent, industrial raw materials by 20·9 per cent, intermediate products by 18·7 per cent, fuel, power and lubricants by 10·9 per cent and finished products by 7·4 per cent. There was thus a strong and general upward pressure on prices.

Several factors jointly contributed to this pressure. The primary impulse naturally came from the pressure on prices of foodgrains and agricultural raw materials following the failure of harvest in 1965-66. Although 10.3 million tonnes of foodgrains were imported from abroad in 1966, the per capita net availability worked out to 14·17 oz, only. This was the lowest level reached since 1960. Even though 14;1 million tonnes were supplied through the public distribution channel and the entire supply obtained through internal procurement and imports used up in the process, pressure on foodgrain prices could not be arrested. Although statutory rationing covered 30 million people and informal rationing through the enlarged net-work of fair price shops covered a population of 211 million, a large part of the demand had still to be satisfied by purchases on the market, and prices of food articles during the lean months (March—September, 1966) shot up by 11·8 per cent. The normal corrective by way of post-harvest fall in prices did not operate because of the failure of 1966-67 crops. Food articles prices consequently continued to rise and between September 1966 and March 1967 another 11 per cent rise occurred. Industrial raw materials, mainly agricultural, likewise rose by 5·8 per cent during March—September 1966 and further 6·4 per cent between September 1966—March 1967.

Devaluation of the rupee in June 1966 raised the price of imported raw materials and intermediate products and contributed to the rise in the prices of finished products using them. Heavy subsidy on imported food and fertilisers, and reduction in duties on petroleum products counteracted the effect of devaluation on their prices but prices of metal and metal products, chemicals and machinery did go up substantially. Monetary expansion not only sustained this price rise but also aggravated it further, particularly by stimulating speculative demand of goods in short supply. The rise in wholesale prices was followed by the rise in the cost of living of industrial workers and other fixed income earners. The all-India Working Class Consumer Price Index (1949=100) rose by 13 per cent from 169 in 1965-66 to 191 in 1966-67. The Urban Non-manual Employees Consumer Price Index (1960=100) registered a rise from 132 in 1965-66 to 146 in 1966-67. This led to wage pressures and increases in dearness allowances to the Government and other employees, which, in turn, contributed to the upward trend in prices. Dearness allowance being linked to rise in cost of living beyond a point, the increase in dearness allowance sanctioned by the Central and State Governments involved additional expenditure of Rs. 80 crores during 1966-67 and Rs. 165 crores in a full year. Industries in private sector subject to similar linkage had also to allow increases in dearness allowance. Rising wages and raw materials costs compelled the Government to raise in several cases even controlled prices. For instance, prices of controlled varieties of cotton fabrics were raised by 6 per cent in September 1966; a part of it was, however, absorbed by a reduction in excise duties. Steel and sugar prices had also to be revised upward.

Balance of Payments and Devaluation

The financial year 1966-67 started with a low level of foreign exchange reserves and in April, 1966 itself $ 187·5 million was drawn from the International Monetary Fund to strengthen the reserves. The pressure on the reserves, however, persisted. Radical measures became necessary to provide an enduring solution to the country's payments problem. Rupee was devalued on June 6, 1966 and its par value reduced by 36·5 per cent in terms of fine gold. The Rupee value of foreign exchange thus went up by 57·5 per cent. The measure was expected to stimulate exports, encourage import substitution, discourage smuggling of goods and gold into the country and give a fillip to tourism and remittances from abroad. Simultaneously, the import entitlement scheme as well as tax credits for exports were abolished with the intention of replacing them with a simpler and more effective system of export incentives. Export duties were levied on a number of items to siphon off wind-fall gains accruing from devaluation and the regulatory import duty of 10 per cent. was abolished. The rates of duty were also lowered on several items of imports to reduce the rigour of consequential price rise. A little later, import restrictions were liberalised for 59 priority industries.

Several developments since devaluation, however, compromised its effectiveness. Firstly, there was the purely transitional problem of readjusting export-import trade to the new situation which took some time to work out. Secondly, trade agreements with East European countries had to be re-negotiated and this also caused some temporary dislocation in trade with those countries. Thirdly, two successive crop failures necessitated large imports of food-grains and certain agricultural raw materials, while adversely affecting the exports of agricultural and agriculture-based industrial products. Fourthly, the rise in domestic prices reduced the effective degree of devaluation. And finally there was a sagging trend in international prices in some important items of exports, like tea, coffee and sugar. The credit squeeze and the imports surcharge, in U.K. also hit Indian exports to the British market.

Export Earnings

Total earnings from exports amounted to $ 1,535 million during the year. This was 6·5 per cent lower than the comparable earnings in the preceding year. Supply constraint was mainly responsible for the decline in export earnings from agricultural and agro-based industrial products, and this also prevented them from taking advantage of the stimulus provided by devaluation. Where such a constraint was not operative, as in the case of fish and fish preparations, hides and skins, leather manufacturers, iron and steel and engineering goods, a part of the improvement in export earnings could be attributed to devaluation.

Value of Imports

The impact of devaluation is more apparent on imports. Despite increase in import of foodgrains, total value of imports during the year amounted to $ 2,693 million which was about 4 per cent lower than in 1965-66. Although a part of this decline was due to the tightening of import controls, after the pause in foreign aid in the preceding year, higher rupee cost of imports after devaluation and its stimulating effect on import substitution also seem to have contributed to it. Imports were liberalised in August 1966 in respect of 59 priority industries but the high cost of imports, slack in demand for certain categories of industrial products, and the time lag between the placing of orders and the arrival of goods did not allow any marked increase in imports during the year.

Payments Deficit

Even so trade deficit remained almost unchanged at $ 1,158 million in 1966-67, as compared to $ 1,162 million in 1965-66. There was, however, a large decline in net receipts from invisibles. The net receipt of $ 168 million in the preceding year was converted into a net outgo of $ 5 million in 1966-67. Reduced inflow of private unilateral transfer and fall in earnings under miscellaneous service transactions together with a sharp rise in interest payments were mainly responsible for such a deterioration. As a consequence, current account deficit widened by $ 169 million to $ 1,163 million. The capital account. however, showed a surplus of $ 1,008 million. Adjusting for the errors and omissions, the overall deficit in the balance of payments turned out to be $ 118 million as compared to a surplus of $ 38. million in the previous year. The net drawings of $ 130 million from the IMF enabled this deficit to be covered as also a small addition of $ 12 million to be made to the foreign exchange reserves.

External Assistance

Fresh authorisations of aid during the year 1966-67 amounted to a sum of $ 2,082 million, as compared to $ 1,362 million in the previous year. Together with the undisbursed amount of $ 2,646 million at the end of March 1966, a total sum of $ 4,728 million was thus available for utilisation during 1966-67. Against this the actual utilisation turned out to be $ 1,474 million only. This was $ 148 million smaller than $ 1,622 million utilised in 1965-66. Excluding PL 480 assistance, the aid authorisation was larger by $ 568 million, but the utilisation was smaller by $ 126 million. The slackening in the pace of aid utilisation during 1966-67 was due to the temporary suspension of aid commitments, following hostilities with Pakistan in September 1965, the increase in the rupee cost of imports as well as the usual time-lag between the pledging of aid, signing of agreements and utilisation of credits.

About half of the total aid authorised during 1966-67 was in the form of non-project assistance. Members of the Aid India Consortium contributed 68 per cent ($ 1,008 million) of the total loan assistance authorised during the year, and the remaining amount was authorised by East European countries, Sweden and Denmark.

Domestic Savings and Investment

The worsening of the economic situation during the year led to a marked depletion in the resources for development. Relief expenditure in drought affected areas, increases in dearness allowance of Government employees and a large disbursement on food subsidy made a dent into Government savings. The retained earnings of public sector enterprises were also affected adversely by the slack in demand, rise in costs and fall in production. Likewise, the fall in real income and the rise in prices of essential commodities adversely affected personal savings. Corporate savings also seemed to have been depleted under the impact of rise in costs on lines where it could not be fully compensated by the rise in the price of finished products. Although firm estimates of the different components of domestic savings are not available, indications are that savings in the economy did not exceed 9 per cent of the national income. This represented a marked drop in the rate of domestic savings from around 11 per cent already reached in 1965-66. External assistance for public and private investment amounted to another 3 per cent of national income. The rate of investment in the economy was, therefore, around 12 per cent in 1966-67 as compared to a little under 14 per cent in the preceding year.

Employment Situation

The employment situation during 1966-67 was overshadowed by severe drought for the second year in succession and a slackening growth of industrial production mainly due to shortage of agricultural raw materials and lack of sufficient demand. A number of textile and engineering units specially in West Bengal, Maharashtra, Uttar Pradesh and Punjab were closed. While precise information on the number of persons affected by closures, retrenchment and lay-off is not available, it is estimated that about one lakh persons were involved for varying periods during the year.

The data available from the Employment Market Information programme of the Directorate-General of Employment and Training indicate that the total employment in the organised sector increased from 161·9 lakhs in March, 1966 to 163·3 lakhs in March, 1967, showing an increase of less than 1 per cent. This rate of increase is very small, as compared to the average annual increase of 5·6 per cent during the Third Plan period as a whole and 3·1 per cent increase recorded during 1965-66. The bulk of the increase in employment was in the 'services' group and that, too mainly in the public sector, whereas there was a decline in employment in 'mining and quarrying', 'manufacturing' and 'construction' as may be seen from the following table:

*Industry-wise Employment in March, 1966 and March, 1967**

(Organised Sector)

(Figures in lakhs)

Industry	March, 1966			March, 1967			Percentage in increase (+) or decrease (—) (Col. 7 over Col. 4)
	Public Sector	Private Sector	Total	Public Sector	Private Sector	Total	
1	2	3	4	5	6	7	8
Agricultural plantations, Livestock, Forestry, Fishing . . .	2·26	9·00	11·26	2·32	8·70	11·02	(—)2·13
Mining and Quarrying	1·60	5·10	6·70	1·76	4·80	6·56	(—)2·09
Manufacturing . .	6·70	38·60	45·30	6·95	37·50	44·45	(—)1·88
Construction . .	7·66	2·50	10·16	63	2·30	9·93	(—)2·26
Electricity, Gas, Water and Sanitary Services	3·03	0·40	3·43	3·37	0·50	3·87	(+)12·83
Trade and Commerce	1·55	3·30	4·85	1·66	3·50	5·16	(+)6·39
Transport, Storage and Communications	20·94	1·20	22·14	21·15	1·20	22·35	(+)0·95
Services . . .	50·04	8·00	58·04	51·50	8·50	60·00	(+)3·38
TOTAL .	*93·78*	*68·10*	*161·88*	*96·34*	*67·00*	*163·34*	*(+)0·90*

*Data relate to establishments employing 25 or more persons.

The low rate of growth of employment is also reflected in the data available with the employment exchanges. The data reveal a fall in the number of vacancies notified and placements effected from 9·3 lakhs and 5·7 lakhs respectively during 1965-66 to 8·1 lakhs and 4·8 lakhs respectively during 1966-67.

In this connection, it may be emphasised that the impact of scarcity conditions on the employment situation in rural areas would have been much worse but for the special measures taken by the Government in organising relief works for generating more job opportunities in the scarcity affected areas. In cooperation with the Central Government and several voluntary relief agencies, State Governments initiated relief operations in the scarcity affected areas in 1965-66. The main plank of operations was the starting of relief works in order to provide employment and purchasing power to the people affected by the droughts. The programmes taken up were such as would result in creation of permanent assets and consisted mainly of soil conservation, afforestation, minor and medium irrigation works, and deepening and construction of wells, tanks and allied projects. Relief works were initiated in Madhya Pradesh and Rajasthan in October 1965 and were later extended to another eight States. The programmes in Orissa, Mysore and Andhra Pradesh continued upto the end of 1966 while in the remaining States they lasted throughout the financial year 1966-67. The number of persons employed on relief works in all the States varied from 23·4 lakhs in April 1966 to 21·5 lakhs in March 1967. The peak daily employment on relief works reached about 30 lakhs in June 1966.

Taking into account the total employment days provided by relief works in different States during 1966-67, it is estimated that in all about 590 million man-days of employment were generated. Here mention may be made also of the rural works programme which provided about 30 million man-days of employment during the year.

CHAPTER II

PLAN OUTLAY AND ITS FINANCING

1. PLAN OUTLAY AND TARGETS

The Annual Plan for 1966-67 was formulated within the framework of the paper on 'Fourth Plan Resources, Outlays and Programmes' presented to the National Development Council in September 1965. It was also conditioned by the circumstances prevailing at the time of its formulation which were created by drought conditions and external aggression.

The Annual Plan for 1966-67 originally provided for public sector outlay of Rs. 2082 crores, as compared to the preceding year's actual expenditure of Rs. 2291 crores. Subsequently, certain adjustments were made in the State sector which raised the approved outlays to a total figure of Rs. 2145 crores. The 1966-67 Annual Plan document had indicated the proposed outlays on State plans at about Rs. 932 crores. This figure was later revised to Rs. 998 crores *i.e.,* an increase of Rs. 66 crores. The upward revision was mainly on account of allocation of additional Central assistance of about Rs. 77 crores to States during 1966-67. The main items of increase in respect of such assistance were minor irrigation, rural electrification, purchase of debentures of land mortgage banks and setting up of consumer cooperatives. The revision of the State outlays was also rendered necessary on account of the changes in the position regarding additional resources to be raised by the States. This factor was particularly relevant in case of Bihar, Kerala, Punjab, Rajasthan and West Bengal.

The break-up of expenditure, as between the Centre, States and Union Territories is given below and is compared with the corresponding figures of proposed outlay for 1966-67 and the actual expenditure in 1965-66:

सत्यमेव जयते

(Rs. crores)

	1965-66	1966-67			Increase (+) or Decrease (—) of column (5) over (4)
	Actuals	Outlay originally proposed	Revised Outlay	Actuals	
1	2	3	4	5	6
Centre	1105	1089	1089	1115	(+)26
States	1127	932	998	976	(—)22
Union Territories . . .	59	61	58	46	(—)12
TOTAL .	*2291*	*2082*	*2145*	*2137*	(—)8

While the Central Ministries spent Rs· 26 crores more than the approved outlay, there was a shortfall of Rs. 34 crores in the case of States and Union Territories. Statewise break-up of outlay and expenditure for 1966-67 is given in Appendix 2·1. Similar information in respect of the Union Territories is given in Appendix 2·2. Among the States, the proportion of expenditure to approved outlay varied between 86 per cent for Haryana and Punjab (taken together) and 110 per cent for Gujarat. Nine States, viz., Kerala, Maharashtra, Haryana, Punjab, Jammu and Kashmir, Assam, Orissa, West Bengal and Nagaland had a figure below the average which was 98 per cent and the remaining eight States showed a figure above the average.

For Union Territories, the proportion around 55 per cent was lowest for Dadra and Nagar Haveli and as high as 122 percent for Chandigarh. Six other Union Territories, out of a total of eleven, showed a low figure; among these were Andaman and Nicobar Islands, Goa, Daman and Diu, Laccadive, Amindivi and Minicoy Islands, Manipur, NEFA and Pondicherry.

The Annual Plan for 1966-67 gave top priority to agricultural production and a high priority to family planning programme and to those projects/schemes which promoted exports or helped import substitution. The major part of the outlay approved for all sectors was in respect of continuing schemes. The break-up of the plan expenditure by broad categories of development for 1966-67 and the last two years of the Third Plan is given below. A more detailed break-up is given in Appendix 2.3.

*Sectoral Distribution of Plan Expenditure**

(1964-65, 1965-66 and 1966-67)

(Rs. crores)

Major Heads	1964-65 (Actuals)		1965-66 (Actuals)		1966-67		
					Revised Outlay	Actuals	
	Amount	Percent	Amount	Percent		Amount	Percent
Agricultural Programmes	175·61	8·9	231·04	10·1	285·47	253·87	11·9
Community Development and Cooperation	76·48	3·9	76·39	3·3	64·43	73.52	3·4
Major and Medium Irrigation (including flood control)	149·12	7·5	174·59	7·6	139·71	143·99	6·7
Power	306·03	15·4	362·93	15·8	361·93	403·65	18·9
Industry and Mining	378·21	19·1	491·38	21·5	481·35	514·45	24·1
Village and Small Industries	47·99	2·4	53·08	2·3	46·73	43·76	2·0
Transport and Communications	506·20	25·5	474·73	20·7	431·26	423·68	19·8
Social Services	324·79	16·4	403·23	17·6	305·39	264·27	12·4
Other Programmes	17·39	0·9	24·04	1·1	29·04	15·94	0·8
TOTAL	*1,981·82*	*100·0*	*2,291·41*	*100·0*	*2,145·31*	*2,137·23*	*100·0*

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*The figures of outlays indicated in this chapter do not correspond with similar figures given in sectoral chapters. Differences are, however, marginal and due to the fact that the two sets of figures are derived from different sources. These are being reconciled.

An analysis of sectoral distribution of plan expenditure shows a perceptible increase in the share of Agriculture, organised Industry and Mining and Power from about 10, 21 and 16 per cent in 1965-66 to around 12, 24 and 19 per cent in 1966-67. Over the same period, the relative shares of Irrigation, Community Development and Cooperation, Transport and Communications and Village and Small Industries have more or less remained the same. The tempo of outlays on Social Services, however, declined significantly from 18 per cent to 12 per cent although it may be noted that plan expenditure on current account in the Third Plan period was to be treated in 1966-67 as 'committed' and shown as non-plan expenditure. Education (particularly general education), Scientific Research, Health, Housing and Urban Development and Labour and Labour Welfare were mainly affected· Family Planning which received a high priority was an exception; the expenditure on these programmes rose to about two and a half times from Rs. 6 crores in 1964-65 to Rs. 14·8 crores in 1966-67.

It was mentioned in the Annual Plan 1966-67 document that on account of the constraint on resources, it would not be possible to achieve a significant acceleration in the expansion of social services in that year. It was, however, intended to remove the distortion by stepping up outlay on social services in later years to make up for delayed investment in human resources.

The major increases in the actual expenditure over revised outlay for 1966-67 were under Power (Rs. 42 crores), and Industry and Mining (Rs. 33 crores). The main decreases were under Social Services (Rs. 41 crores) and Agricultural Production (Rs. 32 crores). The step-up under Power which is shared by both the Central and State sectors was due to increased outlays on rural electrification and additional funds that had to be provided on account of devaluation. The expenditure under organised Industry and Mining was larger mainly due to the provision of additional rupee resources necessitated by devaluation and to a small extent as a result of inclusion of certain new projects *e.g.*, in the fertiliser industry. The set-up of Rs. 9 crores under the group Community Development and Cooperation is accounted for by contribution of the Central Government to land development banks' debentures, to the extent of Rs. 8·55 crores, not included in the original Plan. The expenditure on Agricultural Programmes shows a decline of Rs. 32 crores mainly under agricultural production. In the Social Services sector, the decline is spread over most of the activities except family planning programmes. There is practically no gap between approved outlay and actual expenditure under Water Supply and Welfare of Backward Classes.

A statement showing selected physical targets and achievements in 1966-67 is given in Appendix 2.4.

2. FINANCING OF THE PLAN

The table below shows the original estimates of financial resources for the Plan in the public sector in 1966-67, revised estimates prepared in June 1967 and the actual results.

Financing of Plan Outlay in 1966-67

(Rs. crores)

	Original estimates (*a*)	Revised estimates prepared in June, 1967 (*b*)	Actuals
I. PLAN OUTLAY	2082	2221	2137
II. FINANCING OF PLAN OUTLAY . . .			
1. Domestic Budgetary Resources			
Balance from current revenues at 1965-66 rates of taxation (*c*)	434	45(*d*)	194(d)
Contribution of railways at 1965-66 rates of fares and freight charges	34	(—)1	12
Surplus of other public enterprises, exclusive of yield from measures adopted for raising additional resources for the Plan . . .	218	144	151
Additional taxation, including measures to increase the surpluses of public enterprises			
(i) By Centre (including railways) (*e*) . .	140	139	137
(ii) By States	51	18(*d*)	16(*a*)

सत्यमेव जयते

(*a*) As indicated in the Planning Commission document entitled "Annual Plan 1966-67" published in March, 1966.

(*b*) Revised Estimates indicated in the Centre's budget papers and latest estimates furnished by State Governments during May-June, 1967.

(*c*) Inclusive of estimated yield from post-budget measures adopted by the Centre and the States in 1965-66.

(*d*) In the Planning Commission document entitled "Annual Plan 1966-67" the estimated loss of about Rs. 2 crores for 1966-67 on account of land revenue concessions was allowed for in estimating the balance from current revenues at 1965-66 rates of taxation whereas in the table above, it has been netted under additional taxation.

Including yield from the revision of Inter-State sales tax but excluding receipts form changes in sales tax on "declared goods", which are included under additional taxation by States.

	Original estimates	Revised estimates prepared in June, 196	Actuals
Loans from public (net)	209	204	204
Small savings	135	125	118
Gold bonds, prize bonds and compulsory deposits	1	2	2
Annuity deposits	35	22	28
Unfunded debt	88	85(*f*)	83(*f*)
Miscellaneous capital receipts (net)	111	203	215
Further resources to be raised by States	34	..	..
TOTAL—1	*1490*	*986*	*1160*
2. Budgetary receipts corresponding to external assistance			
(a) Other than those under PL 480	349	572	441(*g*)
(b) PL 480 aid	229	323	347
TOTAL—2	*578*	*895*	*788*(*g*)
3. Total Budgetary Resources	*2058*	*1881*	*1948*
4. Deficit financing	*14*	*340*	*189*
5. Aggregate Resources Plan Outlay	*2082*	*2221*	*2137*

(*f*) Without taking into account the transfer of about Rs. 6 crores made from State Provident Funds to the Railway Pension Fund in 1966-67.

(*g*) Inclusive of an investment of about Rs. 2 crores by foreign participants in Government enterprises.

It will be seen that as against the actual plan outlay of about Rs. 2,137 crores in 1966-67, the total domestic budgetary resources of the Centre and States amounted to Rs. 1,160 crores. Budgetary receipts corresponding to external assistance amounted to another Rs. 788 crores. The balance of the Plan outlay amounting to about Rs. 189 crores was met by deficit financing. The details for the Centre and the States respectively are shown in Appendix 2.5.

Brief comments on the contribution for the Plan from each major source are given below.

Balance from Current Revenues

The balance for the Plan in 1966-67 from the current revenues of the Central and State Governments at 1965-66 rates of taxation, which was originally estimated at about Rs. 434 crores, actually turned out at only Rs. 194 crores. The deterioration in the balance as compared to the original estimate was, however, smaller than that anticipated in June, 1967.

The reasons for the deterioration in the balance from current revenues in 1966-67 as compared to the original estimate were discussed in detail in the Planning Commission's document on the Annual Plan for 1967-68. Briefly, it reflected the effects of the failure of monsoon for the second year in succession, slowing down of the rate of growth of industrial production, increases in dearness allowances for Government employees, school teachers, employees of Local Bodies, etc. and the devaluation of the rupee[1].

At the Centre, the balance from current revenues at 1965-66 rates of taxation turned out to about Rs. 101 crores as against the original estimate of Rs. 314 crores, representing a deterioration of Rs. 213 crores. This is attributable mainly to a large increase in non-plan expenditure. The Government's decision, in the context of the economic situation as it developed to subsidise imported foodgrains and fertilisers following the devaluation of the rupee, resulted in an additional expenditure of of Rs. 134 crores in 1966-67. Debt service increased by about Rs. 49 crores, due mainly to higher service charges in terms of rupees on external debt on account of the devaluation. Besides, the rise in the cost of imported stores and equipment involved an increase in non-plan expenditure under a number of other items. Furthermore, the sharp rise in the cost of living on account of the shortage of foodgrains and agricultural raw materials led to an increase in dearness allowances for Government employees. On the revenue side, receipts from import duties and corporation tax showed a substantial decline as compared to the original estimates, due mainly to lower imports and the depressed level of corporate incomes on account of the recession in the economy. This was, however, more than counterbalanced by additional receipts from the export duties levied after devaluation and an increase over the original estimates in the revenue from Union excise duties, income tax, interest etc., even after allowing for the rise in the States' share in receipts from income tax and excise duties.

In the States, the balance from current revenues at 1965-66 rates of taxation turned out to be lower than the original estimate by about Rs. 27

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[1] As stated later, devaluation also resulted in an increase in budgetary receipt corresponding to external asstisance.

crores. There was a substantial increase in the State Governments' expenditure on relief from natural calamities. Besides, the increases in dearness allowances for Government employees, school teachers, employees of Local Bodies etc. imposed a substantial additional burden on State budgets. Receipts from State taxes also turned out to be smaller than those envisaged originally, mainly due to smaller land revenue collections on account of the drought in certain parts of the country. The adverse effects of these developments on the balance from current revenues were, however, partly offset by an increase in the States' share in receipts from Central taxes, grants from the Centre for relief from natural calamities and other non-plan purposes and the States' non-tax revenues.

Contibution from Railways

The railways' contribution towards the financing of their development programme in 1966-67 at 1965-66 rates of fares and freight charges was originally estimated at about Rs. 34 crores. As against this, the actual contribution is now estimated at only Rs. 12 crores, representing a deterioration of about Rs. 22 crores. This is attributable almost entirely to a shortfall in railways' gross earnings due to the fact that revenue earning goods traffic registered in 1966-67 an increase of only 2.2 million tonnes, as compared to the original anticipation of 12 million tonnes. The operating expenses of the railways also showed a substantial increase on account of the increase in dearness allowance for railway employees, rise in the prices of coal and other materials and increase in electricity tariffs in several States. But this was more than counterbalanced by a reduction in the railways' expenditure on current replacements.

Contribution of Other Public Enterprises

The contribution of other enterprises of the Central Government in 1966-67 turned out to about Rs. 98 crores as compared to the original estimate of Rs. 164 crores. This was due mainly to lower levels of output and sales and increases in production costs on account of additional dearness allowances for employees, rise in the prices of imported goods following devaluation etc.

The contribution of State Governments' enterprises, representing mainly the contribution of State Electricity Boards, amounted to about Rs. 53 crores. This was quite close to the level envisaged at the time of the preparation of the Annual Plan for 1966-67.

Additional Resource Mobilisation

The original proposals of the Central Government and railways for raising additional resources in 1966-67 were expected to bring in about

Rs. 140 crores in that year, as shown below:

	(Rs. crores) *(Estimated yield in* 1966-67)
A. Measures announced in the Central Budget	
Customs duties	0·5
Union excise duties	52·3
Corporation tax	36·1
Income tax	24·5
Estate duty	0·7
Expenditure tax	(—)2·3
Inter-State sales tax (a)	10·0
TOTAL	*121·8*
B. Increase in freight rates announced in the Railways' budget	18·1
Grand TOTAL	*139·9*

(a) Excluding receipts from changes in sales tax on "declared goods", which are included under additional taxation by States.

Although the concessions subsequently announced by the Central Government involved a loss of about Rs. 7 crores, a part of this loss was made up by an increase (over the original estimate) in receipts from the stepping up of the rate of inter-State sales tax.

As for the States, the yield in 1966-67 from the fresh measures adopted in that year for raising additional resources is estimated at about Rs. 18 crores, as shown below:

	(Rs. crores) *(Yield in* 1966-67)
Land resettlement	0·2
Cess on commercial crops	0·3
Changes in State excise duties	3·0
Revision of general sales tax, including sales tax on declared goods	9·2
Sales tax on motor spirit	0·2
Tax on motor vehicles and on passengers and goods	1·0
Revision of electricity duties and tariffs	2·8
Purchase tax on raw jute	0.5
Other measures	0·8
TOTAL	*18·0*

The Governments of Madhya Pradesh and Madras, however, announced certain concessions in land revenue which involved a loss of about Rs. 2 crores in 1966-67 and Rs. 3 crores in a full year. The net additional resource mobilisation by State Governments in 1966-67, therefore, amounted to about Rs. 16 crores as compared to the original estimate of Rs. 51 crores. The full year's yield from the fresh measures adopted by State Governments in 1966-67 is, however, expected to be much larger than in that year. Taking into account also the trend increase and allowing for the loss on account of land revenue concessions, the net yield in 1967-68 from the additional resource mobilisation undertaken by State Governments in 1966-67 is estimated at about Rs. 23 crores.

It may be noted here that the State Governments had undertaken substantial additional resources mobilisation for the Annual Plan for 1966-67 through various measures adopted in 1965-66, subsequent to the presentation of the budgets for that year. The yield in 1966-67 from these post-budget measures is estimated at about Rs. 54 crores. Credit for this yield has been taken under balance from current revenues at 1965-66 rates of taxation. On the whole, therefore, the total additional resource mobilisation by State Governments for the Annual Plan, although substantially smaller than that envisaged originally, was of a fairly large order.

Loans from Public, Small Savings, etc.

Actual receipts from loans from public fell short of the original estimate by about Rs. 5 crores. In the case of small savings, however, the shortfall amounted to as much as Rs. 17 crores, due mainly to the depressed level of domestic output and incomes. Net receipts from unfunded debt and annuity deposits also turned out to be lower than those assumed at the time of the formulation of the Annual Plan for 1966-67.

Miscellaneous Capital Receipts

Net miscellaneous capital receipts in 1966-67 amounted to Rs. 215 crores as against the original estimate of Rs. 111 crores. The actual net receipts at the Centre were higher than the original estimate by about Rs. 12 crores while those in the States were higher by as much as Rs. 92 crores. The large improvement in States is explained primarily by a substantial reduction in the stocks of foodgrains etc. held by State Governments as against a small addition to such stocks envisaged at the time of the formulation of the Annual Plan for 1966-67. Loans from the Centre for relief from natural calamities and other non-plan purposes also turned out to be somewhat larger than those taken credit for in the original estimates.

Budgetary Receipts corresponding to External Assistance

The budgetary receipts corresponding to external assistance in 1966-67 were originally estimated at about Rs. 578 crores. In the Revised Estimates for that year, such receipts were taken at Rs. 895 crores, the increase over the original estimate being mainly due to the change in the par value of the rupee in June, 1966. The actuals now available for 1966-67 indicate an increase in PL 480 assistance over the Revised Estimate, due mainly to larger foodgrains imports because of the difficult food situation in the country. The utilisation of other external assistance, however, showed a substantial shortfall. As a result, the total budgetary receipts corresponding to external assistance in 1966-67, actually turned out at about Rs. 788 crores only as compared to the Revised Estimate of Rs. 895 crores.

Central Assistance to State Plans

The Central assistance originally allocated for State Plans for 1966-67 was Rs. 509 crores. With the additions subsequently made for minor irrigation, rural electrification and certain other important schemes, the total Central assistance was expected to increase to Rs. 589 crores.[1] However, according to the latest available information, the actual utilisation of Central assistance in 1966-67 amounted to about Rs. 568 crores only.

In addition to the Central assistance of Rs. 568 crores for State Plans, the Central Government advanced *ad hoc* loans of Rs. 108 crores to State Governments in 1966-67 towards the clearance of their overdrafts with the Reserve Bank.[2]

सत्यमेव जयते

Deficit Financing

As stated earlier, the actual deficit financing in 1966-67 by the Centre and the States taken together amounted to about Rs. 189 crores. Although it was considerably larger than that envisaged in the original scheme of financing, it represented a substantial drop from the level of about Rs. 400 crores reached in the preceding year. It did, however, impose a further strain on the economy.

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[1] In the revised estimates prepared in June 1967, Central assistance for State was taken at Rs. 617 crores. Later scrutiny indicated that a part of this assistance stowards the financing of a few development schemes, like water supply, connected Central projects. Besides, the revised estimates included lump provision for meeting increased costs of a few State projects due to devaluation.

[2] The repayment of overdrafts by State Governments has been taken into account working out the estimate of deficit financing.

CHAPTER III

AGRICULTURE AND THE RURAL ECONOMY

1. AGRICULTURAL PRODUCTION

It was an unfavourable year for agricultural production. The monsoon of 1966 was poor in most parts of the country and this adversely affected the standing kharif crops as well as sowing of rabi crops. The rains which came in the middle of November and again in the beginning of December in the drought affected areas did bring about some improvement in the rabi crops but the absence of rains thereafter, particularly during January 1967 along with a severe cold wave adversely affected the growth of these crops, specially in north and north-west India. Rains in the third week of February, 1967 in some areas in the north again benefited the crops to some extent but in March 1967 the unseasonal heavy showers, combined with hailstorms and strong winds adversely affected in certain areas the crops which were ready for harvesting.

Production of foodgrains was 75 million tonnes in 1966-67 against 72 million tonnes in 1965-66 and 89 million tonnes in 1964-65. Among commercial crops the production of oilseeds, cotton and jute in 1966-67 showed some improvement over the year 1965-66 whereas there was a significant decline in the production of sugarcane, as will be seen from the following table:

TABLE I : *Production Estimates of Major Commercial Crops*, 1966-67

Crop	Unit	1965-66	1966-67	
		Actual	Target*	Actual Production
Oilseeds	million tonnes	6·35	9·89	6·49
Sugarcane (gur) . .	—do—	12·10	12·69	9·49
Cotton	million bales of 180 kgs. each	4·76	6·30	4·93
Jute	—do—	4·47	6·92	5·35

*As given in Annual Plan, 1966-67.

Shortfalls in 1966-67 were largely due to adverse weather conditions prevailing during the year. Package approach to raise the per acre yields of commercial crops and foodgrains was continued. Nearly 14.65 lakh acres of cotton and 5.28 lakh acres of groundnut were covered by the State Package programmes. The Centrally sponsored programme for maximising production of groundnut covered an area of 1:78 lakh acres. In regard to jute the Centrally sponsored programme for foliar spray of urea covered an area of 2.90 lakh acres.

The progress of selected development programmes during 1966-67 is given in the following table:

TABLE 2: *Selected Programmes—Targets and Achievements*, 1966-67

Programme	Unit	Target	Achievement
Minor irrigation*	million acres	3·4**	3·4**
Soil conservation on agricultural lands	—do—	3·6	3·5
Area under high yielding varieties .	—do—	7·00	4·66
Consumption of chemical fertilisers@	'000 tonnes		
(*a*) Nitrogenous (N) . . .	—do—	1008	840
(*b*) Phosphatic (P_2O_5). . .	—do—	300	250
(*c*) Potassic (K_2O) . . .	—do—	140	115
Urban compost@	million tonnes	4·2	3·7
Green manuring*	million acres	26·1	20·0
Plant protection@ . . .	—do—	63	60·0

* Includes new irrigation, stablisation of old irrigation, area benefited by drainage, flood/sea water protection schemes, etc.

**Additional.

@Level reached.

Shortfalls occurred in respect of the high yielding varieties programme and the consumption of chemical fertilisers. The former was largely due to scarcity of hybrid seeds, non-availability of water at the right time and the unfavourable weather conditions. Progress of minor irrigation, soil conservation and plant protection was, on the other hand, satisfactory.

Financial Outlays

The following table gives the revised outlays and actual expenditure for various programmes of Agriculture in 1966-67 by the Centre, States and Union Territories.

TABLE 3: *Agriculture Sector* : *Outlays*—1966-67 : *Centre, States and Union Territories*

(Rs. crores)

Head of Development	Outlays (revised)				Actual Expenditure			
	Total	Centre	States	Union Territories	Total	Centre	States	Union Territories
Agricultural Production .	85·05	15·05	66-99	3·01	62·15	13·70	47·07	1·38
Ayacut Development . .	5·21	1·20	4·01	..	4·73	1·20	3·53	..
Minor Irrigation	87·94	2·17	84·89*	0·88	106·57	2·17	104·02	0·38
Soil Conservation	28·87	3·50	24·66	0·71	30·17	3·80	26·04	0·33
Animal Husbandry . .	16·33	1·57	13·65	1·11	11·96	1·57	10·00	0·39
Dairying and Milk Supply. .	9·47	0·43	8·78	0·26	7·13	0·43	6·63	0·07
Forests . .	16·61	3·12	12·04	1·45	12·83	2·82	8·93	1·08
Fisheries . .	11·58	2·68	8·25	0·65	10·62	2·93	7·32	0·37
Warehousing, Marketing and Storage .	6·70	5·00	1·61	0·09	7·70	6·98	0·69	0·03
TOTAL : *Agricultural Programmes* .	*267·76*	*34·72*	*224·88*	*8·16*	*253·86*	*35·60*	*214·23*	*4·03*

*Does not include additional outlay of Rs. 22·80 crores sanctioned during the year.

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Progress of expenditure at the Centre was on the whole, satisfactory. In the States sector, minor irrigation programme was accelerated in view of the drought conditions but there was a shortfall under agricultural production mainly due to late sanction of schemes.

High Yielding Varieties Programme

In the year under review a significant development in the field of agriculture was the introduction of newly evolved high yielding strains of paddy, wheat, maize, jowar and bajra which are responsive to high doses of fertilisation. An area of 1.82 million acres was covered by this programme during the kharif season and 2.84 million acres during the rabi/summer season against the target of 2.65 million acres in kharif and

4.43 million acres in rabi/summer respectively. The overall crop-wise position is indicated below:

TABLE 4 : *Progress of High Yielding Varieties Programme*—1966-67

(lakh acres)

Crop	Kharif		Rabi/summer	
	Target	Achievement	Target	Achievement
Paddy	15·40	12·58	17·15	9·37
Maize	4·90	3·42	4·42	1·71
Jowar	3·40	1·17	5·86	3·54
Bajra	2·80	1·01	0·93	0·44
Wheat	..	..	15·93	13·36
TOTAL	*26·50*	*18·18*	*44·29*	*28·42*

During the kharif season the programme had been taken up in about 1,747 blocks of 258 districts. Although the high yielding varieties programme was intended to be confined as far as possible to the IADP and IAAP districts, some States extended it to a number of non-intensive districts also. The programme thus got dispersed over large areas and there arose problems of staffing and supervision. Further, there was pest attack during that season in certain States.

High yielding varieties are reported to have shown a better performance than the traditional varieties in many States. In kharif, 1966 the yield ranged between 3,000 lbs. to 6,500 lbs. per acre in case of paddy Taichung Native-I; ADT-27 variety of paddy, which was cultivated over an area of 2.80 lakh acres in Madras State, gave very promising yields ranging from 4,000 lbs. to 5,000 lbs. during the kharif season. The highest yield recorded in some of the areas of the State was 8,500 to 9,200 lbs. per acre. The results obtained from the cultivation of the hybrids of jowar, bajra and maize were also encouraging and the highest yields registered were 4,500 lbs. of jowar, 5,330 lbs. of bajra and 5,000 lbs. of maize per acre. During rabi/summer season of 1966-67, the high yielding varieties of paddy and hybrids of jowar, bajra and maize gave comparatively better performance than during kharif 1966. The Mexican varieties of wheat did remarkably well in all the States.

Supply of Inputs

Though every effort was made to ensure the adequate supply of fertilisers, the demands of all States could not be met due to shortfalls in indigenous production. As regards super-phosphate, one of the major bottlenecks was the scarcity of rock phosphate. The production of town compost during 1966-67 has been about 3.7 million tonnes. Foreign exchange was made available for the import of about 600 crawler tractors and 1,000 power tillers.

During the year, 14 Central Plant Protection Stations assisted the States in organising control operations against various pests and diseases, by giving on loan over 25,000 plant protection machines and supplying 84,308 kgs. and 3,276 litres of pesticides. These stations also imparted training in plant protection methods and techniques to 11,794 persons and participated in 13 exhibition-*cum*-demonstration of both manually and power-operated machines. The aircraft of the Directorate of Plant Protection, Quarantine and Storage conducted spraying operations against pests and diseases over an area of 84,710 hectares under cotton, jowar, sugarcane, groundnut and wheat in certain States. Demonstration-*cum*-field trials with new pesticides to keep grains safe from pest attacks were conducted in the rural areas, and advice on safe storage methods was also given. Aerial spraying was carried out over 4.95 lakh acres. Seventy-five mobile plant protection vans were specially arranged for high yielding varieties programme districts.

Minor Irrigation

Minor irrigation works benefited an area of 3.0 million acres This programme was given a high priority in the context of drought conditions prevailing in a number of States. An additional outlay amounting to Rs. 22.80 crores was sanctioned for this programme. The States for which major part of the additional outlays were sanctioned, were Uttar Pradesh (Rs. 5.10 crores), Madras and Maharashtra (Rs. 2.75 crores each), Bihar (Rs. 2.70 crores), West Bengal (Rs. 2.3 crores), Madhya Pradesh and Andhra Pradesh (Rs. 1.75 crores each) and Rajasthan (Rs. 1.30 crores). In the case of Bihar and Uttar Pradesh which were severely hit by drought, a much larger programme of minor irrigation than was originally provided in the Annual Plan was, in fact, implemented.

Efforts were made to meet credit requirements for dugwells, pump-sets, etc. to the largest possible extent from the Land Development Banks. The Agricultural Refinance Corporation also agreed to finance such works on certain conditions. For providing supplemental irrigation during the period of keen demand new wells and private tubewells were constructed in command areas of existing major-medium irrigation projects. The programmes of electrical pumpsets and rural electrification were closely dovetailed to energise the maximum number of pumpsets with maximum economy. Nearly 1,44,000 pumpsets were energised during the year under review. Further, work on Centrally sponsored programme for Ground Water Surveys and Investigations was also undertaken in different States.

Water Utilisation

In order to ensure fuller and more efficient utilisation of irrigation potential of major, medium and minor irrigation works for maximising agricultural production, integrated pilot projects were initiated in the ayacuts of the projects in which water utilisation had yet to reach the desired level. Two such projects were formulated for the areas irrigated from canals and State tubewells in Azamgarh district of U.P. and from Tungabhadra Canal in Bellary district of Mysore. Similar projects from other States were under scrutiny. Apart from these pilot projects, schemes for general ayacut development were undertaken in nine States within the State Plan provisions.

Agro-Industries Corporation

Assam, Maharashtra, Bihar, Madras and Uttar Pradesh had set up such Corporations. An amount of Rs. 100 lakhs was contributed by the Centre to the share capital of these Corporations and an equal amount was provided by the State Governments. These Corporations were to take up, as one of their functions, the hire-purchase of machinery. Maharashtra Corporation has decided to set up a granulated fertiliser factory and a superphosphate factory.

Special Area Programmes

A seventeen-member Desert Board with four non-official members was constituted for formulating and executing schemes for the development of desert areas. As a first step in the development of the chronically drought-affected areas, identification of the hard core of these areas was taken up. For the speedy development of agriculture in hill areas, broad guidelines were finalised. For tackling the problems of water-logging and salinity in the command of Chambal in Rajasthan and Madhya Pradesh, pilot projects were being finalised. A few other Special Area Schemes relating to the development of Sunderbans, development of Malnad in Mysore, reclamation of lands in Kuttanad area of Kerala, integrated area programme for the benefit of small holders in Maharashtra and the development of the Rajasthan Cana Command Area were in various stages of formulation and processing.

Supply of Credit

The Reserve Bank of India sanctioned to cooperative banks special credit limits aggregating to Rs. 31 crores for meeting the needs of High Yielding Varieties programme. The utilisation, however, was much less on account of procedural and other difficulties. Supply of short and medium-term credit amounted to about Rs. 365 crores. The supply of cooperative credit was supplemented by taccavi loans amounting to about Rs. 60 crores. A credit limit of Rs. 50 crores, at any point of time, was also agreed to by the Reserve Bank of India for the purchase of fertilisers. The Land Development Banks advanced long-term loans of the order of Rs. 60 crores against Rs. 58 crores in 1965-66.

The Agricultural Refinance Corporation had also given substantial support to special medium and long-term projects; it sanctioned 42 schemes in ten States involving a total outlay of Rs. 43.29 crores upto March 1967. These included 15 schemes approved during 1966-67 alone, for which the refinance sanctioned was Rs. 8.53 crores.

Storage and Warehousing

Because of the difficult financial position and a virtual ban on construction programmes, no new construction of godowns was taken up by the Government of India during 1966-67. The works for providing a total capacity of 3.95 lakh tonnes already in progress were, however, continued during the year. In addition, storage capacity of 56,700 tonnes was completed during 1966-67. Besides, the Central Warehousing Corporation completed the construction of 13,400 tonnes of storage capacity during the same year as part of their plan programme and 144,663 tonnes of storage capacity under 'crash programme' in Andhra Pradesh and 10,000 tonnes under emergency programme in Assam. The Food Corporation of India embarked upon a construction programme of 1.45 lakh tonnes capacity during the year.

Agricultural Research

An important step in this field was the start made for the formulation of proposals for coordinated research on different commodities in various States with the collaboration of Central Research Institutes, Agricultural Universities and State Research Stations. In a number of States, field programme units were expected to be set up to act as links between the research institutions, Government Agricultural Departments and the field operation staff. Efforts are being concentrated to bring results of research closer to the field operations, so as to enable the research institutions to know at first hand the problems faced in the implementation of agricultural programmes.

2. FORESTS AND SOIL CONSERVATION

Soil Conservation

The programme of soil conservation was given a high priority in 1966-67 as a measure of relief and productive investment in the States facing drought conditions. About 250 soil conservation schemes covering nearly 35 lakh acres of agricultural lands and 1.34 lakh acres of forest and pasture lands were taken up in the different States. In addition, about 32,000 acres of ravine lands and an equal area under alkaline and saline lands were reclaimed.

Under the Centrally sponsored scheme for soil conservation in catchment areas of river valley projects, soil conservation work was carried over 2 lakh acres. An area of about 13.48 lakh acres was surveyed under the all-India Soil and Land Use Survey Scheme. A study of aerial photographs to locate areas of accelerated erosion for priority treatment was also undertaken in the catchments of some of the river valley projects. Work on field investigations and collection of basic data essential for supporting soil and water conservation programmes was intensified at the soil conservation research, demonstration and training centres. Training in soil conservation was imparted to about 100 officers and 200 assistants during the year.

Forests

The important forest development programmes undertaken by the State Governments during the year 1966-67 included, among others, raising of large-scale plantations of economic species, rehabilitation of degraded forests, improvement of forest communications, intensification of forest research and forest protection measures.

The Centrally sponsored scheme of plantation of quick-growing forest species for meeting the requirements of wood-based industries showed satisfactory progress with a coverage of nearly 1.2 lakh acres during the year. A project for pre-investment survey of forest resources was also started in April 1965, with assistance from the United Nations Special Fund, to investigate the economic availability of forest raw materials for the development of wood-based industries in selected areas.

The project for establishment of logging training centres, which was taken up with the help of the United Nations Special Fund from 1965, progressed according to the schedule; 183 persons had received training in the use of modern logging equipment by the end of March 1967. The research on various aspects of forests and forest products was continued at the Forest Research Institute, Dehradun. Another important development during the year was the setting up of Statistical Cells in the Forest Departments both at the Centre and in the States.

3. ANIMAL HUSBANDRY, DAIRING AND FISHERIES

Animal Husbandry

The area development approach on the lines of package programme for agricultural production was introduced for the improvement of cattle, sheep, pig and poultry. With a view to providing the necessary marketing incentives to farmers, each intensive cattle development project was linked with a major dairy plant. Three intensive cattle development projects were sanctioned during the year, raising the total number of such projects to 22. A large Central Cattle Breeding Farm at Chiplima (Orissa), was sanctioned. Sites for two more farms were selected. Five new key village blocks were established and six existing ones were expanded. Under the scheme for rearing of calves, 1,064 buffalo-calves and 1,046 Haryana graded calves were lifted from Haringhata and Aarey Milk Colonies for free distribution. The Government Livestock Farm, Hissar supplied about 300 bulls during the year.

The Regional Poultry Farms produced about 22.2 lakh eggs and distributed 5.7 lakh chicks for breeding purposes. In addition, about 384 farmers were provided subsidy for purchase of breeding and rearing equipment and 369 farmers were trained. The two poultry dressing plants at Chandigarh and Poona were in the final stages of completion.

The regional pig breeding station-*cum*-bacon factories at Aligarh and Haringhata made satisfactory progress. In addition, two more bacon factories, one each in Maharashtra and Andhra Pradesh were in the process of establishment. Under the improved stock breeding programme, 695 boars and sows were distributed.

The sheep shearing, wool-grading and marketing programme continued to make progress in Rajasthan with the assistance provided by U.N. Special Fund. Two wool grading-*cum*-marketing centres and 127 sheep shearing centres were set up. The programme for fine wool production through cross breeding of local flocks with exotic sheep was taken up in the hilly areas.

The rinderpest eradication programme continued to make steady progress. During the year, over 11 million vaccinations were carried out. In addition, about 1.5 million animals were vaccinated in the immune belt area along the international border. About 35 million doses were produced at various vaccine production centres.

Dairying and Milk Supply

With the establishment of two large-size dairy plants at Hyderabad and Madurai and five of medium type at Bareilly, Kolhapur, Nasik, Palghat and Tiruchirapalli, the total number of milk plants in operation increased from 37 to 44. It comprised of 37 milk supply schemes, 4 milk drying plants and 3 creameries. In addition, 43 other milk supply schemes were in different stages of implementation. This includes 12 dairy plants covered under Swedish credit and 6 under Danish credit programmes. The total handling capacity of various milk supply schemes increased from 13 lakh litres to 15.5 lakh litres per day. The daily output of milk powder from the factories at Anand, Amritsar, Mehsana and Rajkot amounted to about 18 tonnes. A sum of Rs. 2·54 crores was allocated under the Danish Food Loan for the import of milk powder, against which 3,500 tonnes of milk powder was received. The Delhi Milk Scheme continued to make steady progress during the year, with a total distribution of 727 lakh litres of milk. It also supplied milk to 94 units of defence forces stationed at Delhi.

Fisheries

During the year, about 800 fishing boats were mechanised and arrangements were made for the import of 500 additional diesel engines. The indigenous production was of the order of 485 engines. The total number of mechanised boats in operation was around 6,000 by the end of the year. As regards exploratory fishing, three large fishing vessels were received from Norway under the Indo-Norwegian Project. In regard to inland fisheries, the schemes relating to production of fish seed, construction of fish farms, development of fishing in reservoirs and establishment of ice and cold storage plants and transport facilities made steady progress. Six refrigerated rail vans, 25 ice plants, 19 cold storages, 6 walk-in-coolers and 4 freezing plants were established. Eight fishing harbours were constructed at Veraval, Jaffrabad (first stage) and Navabunder in Gujarat, Kagalhimi (Mysore), Nagapatnam (Madras), Azhicode and Ponnani in Kerala and Kakinada in Andhra Pradesh. Construction of another eleven harbours was in progress.

4. SUBSIDIARY FOODS AND APPLIED NUTRITION PROGRAMME

Subsidiary Foods

The three institutes of Catering Technology and Applied Nutrition at Bombay, Calcutta and Madras and the Institute of Hotel Management, Catering and Nutrition, New Delhi continued to impart training for diploma, craftsman, and housewives courses. About 120 students for diploma and about 550 students for craft courses were expected to complete their training at these institutes. In addition, about 300 housewives had completed their training in short-term courses in bakery, cookery and canning.

Four Food Craft Centres, one each in Kalamassary (Kerala), Bangalore (Mysore), Panaji (Goa) and Lucknow (U.P.) were being established. These

Centres will help in disseminating knowledge on food science to various food industries besides imparting training in food trades and crafts.

Seven modern rice mills set up in different I.A.D.P. areas started working in full swing during the year. The preliminary studies carried out in these mills indicated that the mills which adopted a combination of modern techniques gave better yield in quantity as well as quality. Detailed evaluation programme was in progress.

The Government of Australia offered six automatic modern bakeries as gift under the Colombo Plan. A Government company, Modern Bakeries (India) Private, Ltd., with an authorised share capital of Rs. 1 crore was registered in October 1965 to arrange for the installation and operation of these bakeries at Ahmedabad, Bombay, Calcutta, Delhi, Edapally (Kerala) and Madras. The sites for bakery buildings were selected and construction at Bombay and Madras was in an advanced stage. Three more automatic bakeries had been offered by the Government of Canada as gift under the Colombo Plan and these were proposed to be put up at Hyderabad, Kanpur and Chandigarh. The project is intended to provide nutritious bread of standard quality at reasonable price and to encourage the development of bakery industry on sound and scientific lines.

Applied Nutrition Programme

Of the 362 blocks in which the programme was in operation at the end of 1966-67, 221 blocks were taken up during the Third Plan period and 141 in the year under report. The Plan provisions under the respective heads of development like minor irrigation, horticulture, fisheries and poultry development were drawn upon to implement the programme. With a view to invest the programme with an identity of its own, the State Governments have been asked to ensure that earmarked resources from the respective heads of development in the agriculture sector are pooled together in the State budgets under a compromise head, 'Applied Nutrition Programme'.

The main production components of the programme are horticulture, fisheries and poultry, and to the extent resources of the Plan schemes are drawn upon for the promotion of the programme, these components carry Central assistance admissible under the individual schemes. Certain other essential elements of the programme like assistance to associate organisations and to some school-based activities, however, remain outside the purview of the Plan and do not attract any Plan assistance. To cover the gap, special Central assistance of Rs. 17,000 per block per annum is being given to the Applied Nutrition Programme blocks started from 1966-67 onwards, subject to matching contribution by the State Governments.

5. COOPERATION

The main schemes of cooperative development which are being implemented under the Plan relate to the strengthening of the cooperative credit structure, emphasis on cooperative marketing and processing, organisation of consumer cooperative stores, strengthening of the staff of the cooperative societies and banks and programmes for training and education of non-officials and managerial personnel.

Cooperative Credit

In the field of cooperative credit, the programme envisaged increasing coverage of agricultural population, intensive programme of revitalisation of the primary agricultural credit societies, increasing the resources of co-operative banks and societies with a view to enabling the credit structure to provide larger quantum of credit for agricultural production. During 1965-66, cooperatives distributed short-term and medium-term credit to the extent of Rs. 345 crores. This increased to about Rs. 365 crores in 1966-67. Under the programme of revitalisation of primary agricultural credit societies, viable and potentially viable societies created by amalgamation of small societies are being given management subsidy for appointing paid managers. About 11,000 societies were taken up for this programme during 1966-67. Assistance was provided to central cooperative banks for opening about 150 branches.

Under the scheme for strengthening the stabilisation funds of the co-operative banks, the Government of India provided assistance of Rs. 6·77 crores to the States. The Reserve Bank of India provided supplementary assistance to the extent of Rs. 4.82 crores. With this assistance, it was possible for cooperatives to convert short-term loans into medium-term loans and provide fresh finance for production. In the sphere of long-term credit the Land Development Banks advanced loans of the order of Rs. 60 crores in 1966-67 as against Rs. 58 crores in 1965-66. The Government of India provided direct support for the debenture floatation programme of Land Development Banks to the extent of Rs. 8.55 crores.

Marketing and Processing

By the end of the Third Plan, all important secondary markets had been covered by a network of primary cooperative marketing societies. The super-structure of cooperative marketing consisted of the National Co-operative Agricultural Marketing Federation and 20 State level apex marketing societies, in addition to over 162 district-level marketing societies in some States. During 1966-67, steps were taken to consolidate and strengthen the marketing structure. To this end, State Governments contributed Rs. 144 lakhs to the share capital of the marketing societies at various levels, and also assisted them with subsidies for employment of managerial staff and establishment of grading units as well as loans for purchase of transport vehicles. Financial assistance was provided to the marketing societies as well as village cooperatives for construction of 635 new rural godowns and 148 new godowns at market centres respectively during the year. As on 31st March, 1967, the total storage capacity in the cooperative sector was of the order of 2·5 million tonnes. The value of agricultural produce marketed by cooperatives rose from Rs. 174 crores in 1960-61 to Rs. 314 crores in 1966-67.

The number of cooperative sugar factories licensed by the end of 1966-67 increased to 76 compared to 65 at the end of 1964-65. Of these, 54 were under production during 1966-67 season. Upto the end of March, 1967, 1,497 processing units were organised for cotton, paddy, oilseeds, jute, etc. Of the total number, 49 units were assisted during the year 1966-67. A Centrally sponsored scheme was introduced during the year for establishment of export-oriented agricultural processing units and modernisation of rice mills in the cooperative sector. Under this scheme, assistance was provided for 3 fruit and vegetable units, 3 rice bran oil plants and 3 modern rice mills, besides spillover assistance to 17 units. Assistance was also provided for establishment of 27 new cooperative cold storages during the year 1966-67. Cooperatives distributed agricultural inputs of the value of Rs. 158.83 crores and consumer goods worth Rs. 245 crores during the year.

Consumers' Cooperatives

Under the Centrally sponsored scheme of consumer cooperatives, 345 wholesale stores and about 9,479 primaries/branches were functioning at the end of June 1967. It is proposed to bring 20 per cent of the urban population and 20 per cent of the retail trade in the essential consumer goods within the consumer cooperative fold. Under the accelerated programme taken up in the wake of devaluation, 98 wholesale stores with about 1,000 retail units were organised during the year. In addition, 38 big department stores were also established. Six cooperative stores in the university campuses also came up during the year. A supply organisation was set up at the Centre in the Department of Cooperation for arranging supplies for the consumer cooperative stores on a priority basis, at prices normally charged by the suppliers at the first point of distribution.

The total sales of the wholesale stores during the Cooperative Year ended 30th June, 1967, amounted to Rs. 174 crores against Rs. 144 crores in the preceding year. During 1966-67 another three State level Cooperative Consumer Federations were organised, bringing the total number of such federations to 14. These State level bodies are merged into the National Federation, which started functioning from September 1966. It handled business worth Rs. 1·50 crores.

Cooperative Farming

520 cooperative farming societies were organised during the year, involving an outlay of Rs. 63.33 lakhs. In addition, assistance was provided for societies organised in the gramdan areas to the extent of Rs. 6.50 lakhs.

Labour Cooperatives

There were about 5,000 labour cooperatives by the end of 1966-67, with a membership of 3 lakhs. During the year, financial assistance was provided to about 150 societies. The scheme of pilot districts made satisfactory progress in Orissa, Maharashtra, Gujarat, Andhra Pradesh and Punjab. Under this scheme, the Government of India have recommended the establishment of a coordination committee at the district level for listing out various labour intensive programmes and preparation of an integrated work schedule in order to provide continuous employment as also the establishment of district federations. In regard to other cooperatives, financial assistance was given for organisation of 33 rickshaw pullers' societies, 9 printing presses and 14 washermen cooperatives.

6. COMMUNITY DEVELOPMENT AND PANCHAYATI RAJ

Community Development

The entire country has been covered by the Community Development programme. As on the 1st January, 1967, there were 1,853 stage I blocks, 2,220 stage II blocks and 1,191 post-stage II blocks, besides four blocks in the pre-extension stage.

In 1966-67, there was a considerable shortfall in the provision of funds in the community development programmes, which resulted in the curtailment of certain activities, especially those involving community participation and community action.

The future lines of action on community development and panchayati Raj were considered by the Annual Conferences of officials and the State Ministers-in-charge of Community Development and Panchayati Raj held in August and October, 1966. Some of the main recommendations made at these Conferences were: continued maintenance of an integrated approach to rural development, combined with flexibility at the operational level, emphasis on nationwide priority programmes like agriculture and family planning; other programmes of local relevance being determined in accordance with the local needs and resources, intensification of special programmes which lend themselves to effective implementation by the block organisations, of mobilisation of rural manpower, construction of wells, applied nutrition, etc. and strengthening of the Panchayati Raj structure with commensurate functions and resources to enable them to play a positive role in the development of local areas.

Panchayati Raj

The three-tier Panchayati Raj system has been in operation in all the States except Madhya Pradesh, Kerala, Jammu and Kashmir and Nagaland The coverage in Bihar presently extends to the three districts, Ranchi, Bhagalpur and Dhanbad only.

In pursuance of the accepted policy of development of the Panchayati Raj institutions as the prime agencies for rural development, increasing attention was given to appraisal of the working of these institutions with a view to identify emerging problems and taking steps to improve their functions.

The State Governments undertook a detailed examination of the legislative provisions, organisational arrangements and administrative procedures with a view to enabling the Panchayati Raj institutions to make maximum contribution towards increasing agricultural production. The review has revealed that while there were no noticeable lacunae in the assignment of functions to the Panchayati Raj institutions, effective involvement of these bodies has yet to be fully achieved by routing of appropriate programmes and commensurate financial resources through them. There is also scope for improvement in administrative and institutional arrangements for co-ordination and for the supply of inputs at the right time and in adequate quantities.

7. LAND REFORMS

The principal developments in land reforms during 1966-67 are indicated below:

Abolition of Intermediaries

The abolition of intermediary tenures such as zamindaris, jagirs and inams had been carried out earlier, practically all over the country. The principal developments during the period under review relate to the abolition of some minor intermediary interests which still remained to be extinguished. Legislation was enacted in Andhra Pradesh for the abolition of religious, charitable and service inams in the Telangana region. In Madhya Pradesh, legislation was enacted for abolition of Thoka and Lambardari tenures and estates belonging to ex-rulers in the Vindhya Pradesh region of the State. Proposals were formulated for the abolition of Alwara and Taram tenures in Dadra and Nagar Haveli. The Daman Abolition of Proprietorship of Villagers Act was upheld by the Supreme Court and implementation of legislation was taken up.

Tenancy Reforms

The main features of tenancy reforms are: (i) regulation of rents; (ii) security of tenure; (iii) bringing tenants in direct contact with the State and (iv) conferment of ownership on them.

Legislation for regulation of rents has been enacted in all the States although the level of rents statutorily fixed varies from State to State. Except for Andhra area, Haryana, Punjab and West Bengal, the level of fair rent or crop-share is generally 1/4th of the gross produce or less.

Comprehensive legislation conferring substantial rights on tenants have been enacted in all the States except Assam, Bihar, Haryana, Andhra Pradesh (Andhra area) and West Bengal (in respect of Bargadars). However, provision has yet to be made in respect of these States for bringing tenants or share-croppers into direct relationship with the Government. The present state of tenancy records also left much to be desired and it operated as a constraint in the provision of agricultural credit to the cultivators whose names are not entered in the record of rights.

In Orissa and Mysore where comprehensive legislation had been enacted earlier, the time limit for application for resumption was extended. In Kerala, President's Act was promulgated for (i) preventing eviction of cultivating tenants and Kudikidappukara belonging to Scheduled Castes and Scheduled Tribes and (ii) strengthening the provisions for regulation of surrenders and enabling Government to settle tenants on such lands. The tenancy legislation has since been amended further for suspending the landlords' right of resumption from tenants and for extending application of fair rent provisions to tenants of small holdings. In Gujarat, legislation was amended to grant another opportunity to tenants who are in possession of land to exercise the right of purchase. Rules were also framed for granting takaavi loans to such tenants. In Maharashtra also, tenants who had failed to make the payment in lump-sum or in instalments were given another opportunity to exercise the right of purchase.

Ceiling on Land Holdings

Legislation for ceiling on land holdings had been enacted earlier in all States, except the former Punjab area where there was no ceiling on ownership but the Government had been empowered to settle tenants on land held by a person in excess of the permissible limit. Some progress was made in taking possession of surplus lands and their ditribution but there was still much to be done. A total of about 2.4 million acres have been declared surplus or taken possession of by State Governments out of which about 44 per cent of the area has been distributed. The Statewise position, according to reports received was as under:

(Acres)

	Surplus Area	Area Distributed
Andhra Pradesh	73,692	..
Assam	45,788	..
Haryana	1,82,250	54,981
Jammu and Kashmir	4,50,000	4,50,000
Madhya Pradesh	75,581	12,114
Madras	24,581	17,412
Maharashtra	2,46,619	1,50,716
Punjab	1,91,527	1,60,383
Uttar Pradesh	2,30,846	1,10,707
West Bengal	7,94,410	1,82,338
Himachal Pradesh	6,525	292
Tripura	42	..
TOTAL	*23,62,891*	*10,45,160*

The Constitution Seventeenth (Amendment) Act, 1964 was enacted to provide adequate protection to land reform laws including legislation for ceiling on land holdings. There has, however, been some difficulty about the provisions in the Orissa Land Reforms Act as amended in 1965. The Orissa High Court struck down the provisions of this Act, which lowered the ceiling limit from 25 to 20 standard acres, on the ground that it attracted the second proviso to Article 31A(1) of the Constitution. The State Government has been granted permission to file an appeal in the Supreme Court.

Consolidation of Holdings

The work relating to consolidation of fragmented holdings reached near completion in Haryana and Punjab. In U.P. also, considerable progress was made. During 1966-67, the total area consolidated was about 1·6 million hectares. In all other States, progress was slow.

Settlement of Landless Agricultural Workers

Further progress was made in the implementation of the Centrally sponsored scheme for survey of waste lands in blocks of less than 250 acres and in settlement of landless agricultural workers. Schemes covering 3·3 lakhs families were under way.

Problems of Implementation

The Land Reforms Implementation Committee which had been set up by the National Development Council to review the progress of land reforms in different States and propose measures for securing the implementation of land reform legislation, submitted its report in August 1966. Attention of the State Governments has been drawn to the recommendations made by the Committee.

8. RURAL WORKS PROGRAMME

The object of the Rural Works Programme is to provide additional employment to agricultural workers during slack seasons in areas with high incidence of unemployment and under-employment. By the end of the Third Five Year Plan, the programme covered 998 blocks. The total expenditure incurred on the programme during the five-year period 1961—66 amounted to about Rs. 19·3 crores, the expenditure reported during the last year of the plan *viz.*, 1965-66, being of the order of Rs. 8·4 crores.

The data so far available regarding the physical achievements under the programme during the Third Plan period in respect of an expenditure of Rs. 12·01 crores show that 1,04,218 hectares were provided with minor irrigation facilities, 1,73,970 hectares were brought under soil conservation and afforestation measures, 77,213 hectares benefited by flood protection, anti waterlogging and land reclamation measures and 16,684 kilometres of inter-village roads were constructed.

In view of the limited resources that could be made available, the coverage of the programme was not extended after 1965-66. Instead, the State Governments were requested to consolidate the programme by weeding out ineffective blocks which did not satisfy the criteria laid down for selection of areas and by taking up new blocks in their place. In view of paucity of resources, a budget provision of Rs. 7·75 crores was made for the programme in 1966-67. Against this, the actual expenditure is reported to be around Rs. 7·50 crores. It is estimated that the programme resulted in the creation of about 300 lakh mandays of employment to agricultural workers during the 1966-67 slack season. In terms of 100 days of employment, the programme benefited over 3 lakh persons during 1966-67. The available data in regard to the achievement of physical targets show that for an expenditure of Rs. 3·71 crores, 24,403 hectares were provided with minor irrigation facilities, 43,100 hectares benefited by soil conservation and afforestation schemes, 21,544 hectares benefited by land reclamation, anti-waterlogging and flood protection measures and that 7,110 kilometres of village roads were constructed.

सत्यमेव जयते

CHAPTER IV

IRRIGATION

The table below shows the cumulative potential and utilisation from the plan projects at the end of each Plan period and the targets and achievements for 1966-67:

(million acres-gross)

	First Plan	Second Plan	Third Plan	1966-67 (additional)		End of 1966-67
				Targets	Achievement	(actual)
Potential	6·5	11·7	17·5	2·5	1·4	18·9
Utilisation	3·1	8·3	13·5	2·0	1·7	15.2
Gap between Potential and Utilisation	3·4	3·4	4·0	0·5	..	3·7

The State-wise distribution of benefits in 1966-67 is given in Appendix 4.2. Not all the potential created in a year is available for utilisation in that very year. Therefore, the utilisation in any year has to be viewed in relation to the potential created in the previous year. Although the percentage utilisation has improved in recent years, there is still a gap of 3·7 million acres left at the end of 1966-67. In order to ensure fuller utilisation of irrigation potential created, a programme of Ayacut* Development was included in the agriculture sector. An outlay of about Rs. 4 crores was incurred on this programme during 1966-67. Apart from certain works taken up by the Centre, the State Governments have also undertaken similar programmes for speedy utilisation of irrigation potential as part of their normal agriculture development programmes.

The position in regard to the financial outlays for major and medium irrigation and flood control programmes is indicated below:

(Rs. crores)

	First Plan	Second Plan	Third Plan	1966-67	
				Plan Provision	Actual Expenditure
Irrigation	300	380	580	130	130
Flood Control	14	49	87	12	15

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*Ayacut is the term used for 'authorised irrigable area'.

Appendix 4.1 gives the State-wise distribution of plan expenditure for 1966-67. The projects on which comparatively small expenditure had been incurred were reviewed and rephased with a view to make available resources in men, money and materials for priority schemes. Although there was slight excess expenditure over the Plan provision for irrigation during 1966-67, there was a shortfall in achievement of physical targets, mainly due to the general rise in the prices of materials and labour. The shortfall in the target for utilisation was due to drought conditions prevailing in some parts of the country resulting in inadequate storage in the reservoirs like Chambal, Bhakra, etc.

Flood Control

Although the monsoon was below normal in most parts of the country, severe floods occurred in Assam, north Bihar, parts of Uttar Pradesh, Delhi, Manipur and Tripura. Floods of moderate intensity were experienced in Bihar, Jammu and Kashmir, Orissa, Punjab and West Bengal. An area of 105 lakh acres was affected by floods. The damage to crops was estimated at Rs. 64 crores. A population of nearly 124 lakhs in 25,000 villages was affected and nearly 1·56 lakh houses were damaged. The total damage due to floods was assessed at about Rs. 66 crores.

The expenditure on flood control, drainage, anti-waterlogging and anti-sea erosion works during 1966-67 was around Rs. 15 crores. Various flood control measures such as provision of new embankments, raising and strengthening of existing embankments, river training works, etc. were undertaken. Important flood control works in progress or nearing completion were: construction of Goverdhan drain in Uttar Pradesh, Rajasthan and Haryana; Ghaggar flood control scheme in Rajasthan, Haryana and Punjab; Bagmati flood protection scheme in Bihar; extension and improvements to Dibrugarh town protection works in Assam and Sheeldahgong drainage scheme in West Bengal. The flood control measures so far undertaken have benefited an area of about 125 lakh acres and provided protection to about 125 towns and 4,500 villages.

The anti-sea erosion programme in Kerala continues to receive attention. A Beach Erosion Board was set up by the Ministry of Irrigation and Power to tackle the problem in a scientific and coordinated manner. Upto the end of Third Plan, an expenditure of Rs. 6·3 crores was incurred on anti-sea erosion schemes in Kerala to protect a length of about 36 miles of sea coast. The corresponding expenditure incurred in 1966-67 was around Rs. 73 lakhs.

The progress of certain important projects is reviewed in the Annexure.

ANNEXURE

REVIEW OF PROGRESS OF IMPORTANT IRRIGATION PROJECTS

(i) NAGARJUNASAGAR PROJECT (ANDHRA PRADESH)

The revised estimated cost of the project indicated by the State Government is Rs. 164·5 crores. The ultimate irrigation potential of sanctioned project is 20·6 lakh acres. An outlay of Rs. 121 crores had been incurred to the end of 1966-67. A potential of 5·79 lakh acres was created by the end of June, 1966. The corresponding utilisation was 15,000 acres only. The utilisation was low as the water level in the reservoir did not permit irrigation of more than 15,000 acres from the canals. But the stored water in the reservoir helped in stabilising irrigation to the extent of 3 lakh acres in Krishna Delta·

(ii) KOSI PROJECT (BIHAR)

The revised cost of the project is Rs. 72 crores of which Rs. 45 crores pertain to irrigation and Rs. 27 crores to flood control. The ultimate irrigation from the project would be of the order of 14 lakh acres. The outlay incurred to the end of 1966-67 was Rs. 63.5 crores, of which Rs. 38 crores pertain to irrigation and Rs. 25·5 crores to flood control. The project is expected to be completed in 1968-69. A potential of 6.65 lakh acres was created to the end of 1966-67 and the corresponding utilisation was about 5 lakh acres. The utilisation is expected to increase further with the extension of distribution system up to 2 cusecs outlets which is under progress.

(iii) GANDAK (BIHAR AND UTTAR PRADESH)

This is a joint project of Bihar and Uttar Pradesh but Nepal would also derive benefits from it. The total estimated cost of the irrigation portion of the project is Rs. 139 crores of which the works in Bihar are estimated to cost Rs. 89 crores, in Nepal Rs. 3 crores and in U·P. Rs. 47 crores. The ultimate irrigation potential of the project is placed at 35·5 lakh acres of which 27·8 lakh acres are in Bihar, 6·5 lakh acres in Uttar Pradesh and 1·2 lakh acres in Nepal. The outlay incurred to the end of 1966-67 was about Rs. 38 crores, of which Rs. 28 crores was in Bihar and Rs. 10 crores in Uttar Pradesh.

(iv) CHAMBAL PROJECT (MADHYA PRADESH AND RAJASTHAN)

This is a joint project of Madhya Pradesh and Rajasthan, comprising Gandhisagar dam, Ranapratapsagar dam, Kotah dam, Kotah barrage and the canal system· The cost of the entire project is Rs. 117 crores. The irrigation portion of the project is estimated to cost Rs. 74 crores of which Rs. 43 crores represent the share of Madhya Pradesh and Rs. 31 crores of

Rajasthan. The outlay incurred to end of 1966-67 was about Rs. 62 crores of which Rs. 39 crores was in Madhya Pradesh and Rs. 23 crores in Rajasthan. As against an ultimate irrigation potential of 14 lakh acres, the irrigation potential created by the end of 1966-67 was about 8·9 lakh acres with a utilisation of 3·1 lakh acres. The utilisation was low due to inadequate storage in the Gandhisagar reservoir on account of lean monsoon for two consecutive years. The progress on works was hampered due to non-availability of sufficient labour for various reasons.

(v) PARAMBIKULAM ALIYAR PROJECT (MADRAS)

The revised cost of this project is estimated at Rs. 59 crores of which Rs. 38 crores pertain to irrigation and Rs. 21 crores to power. The ultimate irrigation potential of the project is 2·4 lakh acres. To the end of 1966-67, an outlay of Rs. 33 crores was incurred on the irrigation side, and a potential of 0·69 lakh acres was created with utilisation of 0·38 lakh acres. The pace of utilisation was low mainly due to the failure of monsoon and consequent inadequate storage in the reservior.

(vi) TUNGABHADRA PROJECT (ANDHRA PRADESH AND MYSORE)

This is a joint project of Andhra Pradesh and Mysore, comprising of a dam, right bank low level canal, the left bank canal, two power houses on right bank and one power house on the left bank. The total cost of the project is estimated at Rs. 67 crores of which the irrigation portion is about Rs. 50 crores. The ultimate irrigation potential of the project is 8·2 lakh acres. The outlay incurred to the end of 1966-67 was Rs. 44 crores to provide a potential of 7·6 lakh acres with a utilisation of about 6·2 lakh acres.

(vii) MAHANADI DELTA IRRIGATION SCHEME (ORISSA)

The estimated cost of the project is Rs. 34 crores and the ultimate irrigation potential around 15·8 lakh acres. The outlay incurred on the project to the end of 1966-67 was Rs. 23·6 crores. By the end of June, 1967 a potential of 7·2 lakh acres was created and the corresponding utilisation was around 6 lakh acres.

(viii) PONG DAM (HARYANA, PUNJAB AND RAJASTHAN)

This is a joint project of Haryana, Punjab and Rajasthan. It envisages construction of a storage reservoir on Beas for irrigating lands in the Rajasthan Canal area and in the Punjab. The cost of the entire project is estimated at Rs. 130 crores of which the irrigation portion will be around Rs. 100 crores. To the end of 1966-67 an expenditure of Rs. 44 crores had been incurred on the project.

(ix) Rajasthan Canal Project (Rajasthan)

The estimated cost of Stage I of the project, excluding share cost of Harike Barrage and Madhopur Beas Link is Rs. 75 crores and the ultimate irrigation potential 13 lakh acres. The outlay incurred to the end of 1966-67 was Rs. 47 crores. The potential created by the end of 1966-67 was 2·73 lakh acres with utilisation of 1·37 lakh acres.

(x) Kangsabati Project (West Bengal)

The estimated cost of the project is Rs. 36 crores and the ultimate irrigation potential 9·5 lakh acres. The outlay incurred to the end of 1966-67 was Rs. 17 crores. A potential of 1·2 lakh acres was created and the corresponding utilisation was 0·72 lakh acres.

सत्यमेव जयते

CHAPTER V

POWER

Outlays and Targets

The Annual Plan for 1966-67 had given top priority to the completion of power schemes which were in an advanced stage of construction in order to ensure early benefits. To meet the demands of the deficit areas, work was to be expedited on the inter-State transmission lines so as to enable transmission of power from surplus areas to deficit areas. Priority was also accorded to the energising of irrigation pumping sets to support agricultural production.

The actual expenditure during 1966-67 on Power was about Rs. 404 crores and was considerably higher than the outlay of Rs. 340 crores. The main reasons for the increase are higher outlay on rural electrification and additional expenditure incurred on account of devaluation. The State-wise break up of plan expenditure during 1966-67 is given in Appendix 5.1.

In the Annual Plan document for 1966-67, the target for additional generating capacity was put in 2:0 million kW. However, only 1:27 million kW. were added and the aggregate installed capacity rose to 11·44 million kW. A scheme-wise statement of generating capacity targeted and the achievement during the year may be seen at Appendix 5.2. State-wise aggregate installed capacity and the peak load met in each State in 1965-66 and 1966-67 are tabulated in Appendix 5.3.

Power Shortage in the States

The States of Andhra Pradesh, Kerala, Orissa, Rajasthan and Uttar Pradesh experienced shortage of power during 1966-67. The shortage arose out of delay in commissioning generating capacities and due to inadequate replenishment of hydel reservoirs on account of failure of monsoon for the second year in succession.

(i) Andhra Pradesh—Two sets of 60 MW of Kothagudem thermal station and one set of 60 MW of Upper Sileru hydro-electric station were scheduled to be commissioned during the year. However, some of the replacement parts for power plant equipment of Upper Sileru impounded by Pakistan in 1965 did not arrive in time and therefore the Upper Sileru station could not be commissioned.

Mysore provided Andhra Pradesh with power supplies from Sharavati hydro-electric station. With the commissioning of generating sets at Kothagudem power station, the position in Andhra Pradesh has eased and shortages have practically disappeared.

(ii) Kerala—A generating capacity of 236 MW was expected to be commissioned in 1966-67 in Kerala from Sabarigiri Project (200 MW) and Sholayar Project (36 MW). These capacities were commissioned late in the year. Till then Kerala drew supplies from Mysore State *via* an inter-State—Mangalore—Kasargode 110 KV line and also through transmission lines of Madras State. Kerala now has adequate generating capacity to meet her needs.

(iii) Madras State which depends on Neyveli thermal station for a block supply of 250 MW experienced shortage, when in 1966-67 power generation from that station was seriously affected on account of a steep fall in lignite production due to break-down of mining equipment and later in October 1966 due to unprecedented flooding of the mines. (Also a 100 MW set which was scheduled to be commissioned at Neyveli could not be commissioned because the transformer testing equipment did not arrive in time from abroad). Mysore supplied Sharavati power over the 220 KV circuits and thus enabled Madras to overcome the difficulties.

(iv) Orissa is dependent for its power supplies on Hirakud and Machkund hydro-electric stations. A 250 MW steam station is also under construction at Talcher. Failure of rains over two successive years (1965—67) reduced generation from Hirakud and Machkund. A 62·5 MW set of Talcher steam station could not be commissioned as scheduled in 1966-67 because replacement parts of some equipment impounded by Pakistan in 1965 were delayed. The State had, therefore, to impose a cut of 25 per cent on electricity consumption which hit important industries such as the Indian Aluminium at Hirakud. Orissa could draw from DVC system about 15 MW only, due to limited capacity of inter-State transmission line. Rourkela steel plant supplied about 25 MW from its captive plant from December 1966 onwards and helped the State to some extent to tide over the shortage of power supply.

(v) Rajasthan experienced power shortage on account of two factors. Satpura thermal station (5×62·5 MW) was scheduled to be commissioned in 1966-67 and Rajasthan was due to receive two-fifths of the output from this station. However, the work on the first set could not be completed on time. Due to failure of monsoon again in 1966-67, the Gandhisagar reservoir could not be replenished and generation from this station was reduced to an insignificant level. This condition forced Rajasthan authorities to impose a cut of about 30 to 60 per cent on electricity consumption. (This restriction could be relaxed only when the Gandhisagar reservoir filled up partially in the monsoon of 1967-68). Rajasthan is entitled to receive about 87 MW from the Bhakra scheme. The State, however, could not draw more than 30 MW from the existing supply arrangements. The 220 KV Hissar—Khetri inter-State line which would bring the full quantum of 87 MW into Rajasthan is expected to be completed only in December, 1968.

(vi) Uttar Pradesh depends mainly on Rihand hydro station (6×50 MW) for its power supplies in the eastern parts of the State. Owing to failure of monsoon, the Rihand lake level remained low and generation from this station had to be restricted. A 50 MW set at Obra thermal station and a 32 MW set at Kanpur thermal station scheduled to commence working during the year could not be commissioned owing to delays in construction and erection. Uttar Pradesh authorities had, therefore, to impose restriction on power consumption by industries, etc. However, it was possible to supply power from Damodar Valley Corporation to the extent of about 1·5 to 2·0 million units per day and at least important industries were not allowed to suffer.

Reasons for Shortfall in Target (1966-67)

An analysis of the reasons that led to the shortage of power in certain States has brought out the following main causes:—

(i) In 1965 some equipment had been impounded by Pakistan and was not released. Besides the procedural delays involved in obtaining release of foreign exchange for import of replacements contributed to delays in commissioning some of the schemes (*e.g.* Talcher thermal station, Kalakote thermal station, Upper Sileru hydro-electric station);

(ii) Delay in the arrival of experts and supply of equipment from abroad (as in the case of Korba extension, Kanpur and Delhi 'C' thermal stations); and

(iii) Delay in construction and erection work.

सत्यमेव जयते

Inter-State and inter-Project Tie Lines

It is an accepted policy that the Power Plan should be based on establishment of regional grids and the integrated operation of power systems in the neighbouring States. Emphasis is, therefore, being laid on construction and completion of inter-connecting and inter-State lines. On the basis of studies already completed in the Central Water and Power Commission, the first phase of inter-State links to be established has been decided upon. A loan of 70 million dollars from the World Bank has been arranged to finance the purchase of equipment (imported as well as indigenous) for the major transmission lines. It is expected that all inter-State lines, included in the first phase, would get completed by 1970-71 and inter-State flow of power would be established in each of the five power regions.

Notable inter-State transmission lines that came into operation during the year were:

(a) Mysore—Goa (Dandeli—Ponda)—132 KV line (at present operated at 110 KV).

(b) Mysore—Kerala (Mangalore—Kasargode)—110 KV line.

(c) Uttar Pradesh—Delhi (Moradnagar—Delhi)—220 KV line (at present operated at 132 KV).

As stated earlier, the inter-State lines already completed made a significant contribution towards overcoming power shortages during 1966-67.

Inter-State Lines in Progress

During the year, Madras completed the portion falling within the State of Madras of Madurai (Madras)—Pamba (Kerala) line. Kerala is expected to complete the portion falling within its jurisdiction (45 km) in 1968-69.

Mysore completed one circuit of the 220 KV Sharavati Hubli-Hampi line falling within the State.

Tarapore (Maharashtra)—Navsari (Gujarat) 220 KV line was in progress during 1966-67 and is expected to be completed during 1967-68.

Work on Ludhiana (Punjab)—Hissar—Khetri (Rajasthan) 220 KV/DC line was in progress. Rajasthan expects to complete the portion falling within its territory by June 1968. The portion falling in Punjab is expected to be completed by the end of 1968.

Work on Chandni (Madhya Pradesh)—Bhusawal (Maharashtra) 132 KV line was in progress during 1966-67. The link is expected to be established during 1968-69.

Rural Electrification

At the end of the Third Plan, a total of 5·14 lakh pump sets/tubewells were in operation and 59,238 localities had been electrified. In the annual Plan for 1966-67, an outlay of Rs. 44·39 crores was recommended for the rural electrification programme and a target of energising additional 94,000 pump sets/tubewells was set for the year. In view of limited resources available, only Rs. 39 crores could be provided as loan assistance to the States for the rural electrification programme in the budget of the Ministry of Irrigation and Power. The drought conditions prevailing in some parts of the country and shortage of food necessitated stepping up the programme of energising irrigation pumpsets. An additional outlay of Rs. 23 crores was made available to the States over and above the budgeted outlay of Rs. 39 crores. In some States like Maharashtra, Madhya Pradesh and Madras, the actual expenditure incurred on rural electrification exceeded the outlay provided for the purpose. The total expenditure incurred on rural electrification in 1966-67 aggregated to Rs. 73 crores. About 1·37 lakh additional pumpsets were energised and 7,570 new localities were electrified in 1966-67. In addition, at the end of March 1967, work on 60,236 agricultural pump connections was in progress.

The consumption of electricity for irrigation and by dewatering pumps has shown a steep rise during recent years as can be seen from the table below:

Year	Total consumption of electricity	Electricity sold for irrigation and dewatering	Per cent of tota consumption
	(million KWh)		
1951	4,793	203	4·2
1956	7,959	316	4·0
1960—61	13,953	833	6·0
1964—65	24,219	1,397	5·8
1965—66 . . .	26,735	1,892	7·1
1966—67 . . .	27,430	1,975	7·2

(Note : The full impact of the pums energised in a perticular year is reuected in the electricity consumption in the year succeeding).

Appendix 5.4 gives the outlays and performance of each State in respect of rural electrification.

सत्यमेव जयते

CHAPTER VI

INDUSTRIES AND MINERALS

The rate of growth of industrial production in 1966-67 slowed down to 2.8 per cent as compared to an average annual increase of 7.1 per cent registered during the Third Plan period. The changes in the Index of Industrial Production since 1960-61 are shown below. Details for various groups of industries are given in Appendix 6.1.

Index of Industrial Production

(Base : 1956=100)

Year	Index	Percentage increase over the preceding year
1960-61	133·5	..
Third Plan		
1961-62	143·1	7·2
1962-63	156·3	9·2
1963-64	170·9	9·3
1964-65	180·8	5·8
1965-66	188·1	4·0
1966-67	193·4	2·8

सत्यमेव जयते

The main factors responsible for the slow rate of growth were the shortages of raw materials, domestic as well as imported, the increase in import costs of machinery, components etc., following devaluation, and the deceleration in investment expenditure in both the public and private sectors which was reflected in the emergence of recessionary conditions in a number of industries since about mid-1966. The drought conditions over two successive years adversely affected the supplies of raw materials of agricultural origin and thus contributed to the shortfalls in the output of agro-based industries. The production in milling and crushing, ginning and processing, cotton textiles, jute manufactures, sugar, tea and vanaspati declined in absolute terms. Production in jute industry went down from 1:30 million tonnes in 1965-66 to 1:12 million tonnes in 1966-67, of cotton cloth (mill sector(from 4,401 million metres to 4,202 million metres, and of sugar from 3.5 million tonnes to 2.15 million tonnes.

The position regarding supply of imported raw materials and components also remained difficult during best part of the year on account of the worsening of foreign exchange situation. As a result, production in industries which used imported raw materials and components suffered and there were pockets of under-utilisation of capacity in these industries.

The falling off in demand in several industries, chiefly metallurgical and engineering and some of the consumer goods industries *e.g.*, cotton textiles resulted in cutback in production. The sharp decline in agricultural production and consequently of national income and per capital income coupled with the rise in general price level in recent years has reduced the margin for spending on consumer goods. The decline in the rate of investment from about 14 per cent in 1965-66 to around 12 per cent in 1966-67 in turn affected the demand for certain capital goods. The purchase of capital goods by the Directorate General of Supplies and Disposals (on behalf of various Government Departments) also fell by more than 8 per cent in 1966-67, as compared to the preceding year. The restraint on investment in the public sector was necessitated by the budgetary disequilibrium which emerged in the wake of drought in two consecutive years. As a result some of the industries like steel, wagon building, steel castings, textile machinery, machine tools, steel pipes and tubes, transformers and commercial vehicles had to restrict production to a considerable extent. There was substantial under-utilisation of capacity, particularly in the context of additional capacities brought about during 1965-66.

The level of private investment was also subdued. The internal resources of the companies also dwindled due to a rise in the cost of raw materials, higher labour charges etc., accompanied by a decline in production. This was reflected in the excessive tendency for reliance on the banking system. However, in spite of substantial assistance provided by the banks and institutional agencies, the overall investment activity in the private sector remained at about the same level as in the preceding year. Only a few new ventures were taken up during the year. Following devaluation of the rupee in June 1966, even continuing activities came under considerable strain on account of requirements of additional rupee resources.

Achievemet of Targets

Several of the targets envisaged for 1966-67 were not realised. Appendix 6.2 shows the targets set for 1966-67 and actual capacity and output achieved during the year. The shortfalls related particularly to steel, steel castings and forgings, coal mining machinery, textile machinery, paper and sugar machinery, machine tools, transformers, electric motors, fertilisers, caustic soda, sulphuric acid, cement, cotton textiles, woollen cloth and sugar. A redeeming feature in an otherwise depressing situation was the performance in certain industries connected with agricultural inputs. Since agriculture was given top priority, the tempo of demand for agricultural requirements was kept at a high pitch which helped these industries to maintain substantial levels of output. The production of pesticides, diesel and electrical pumping sets and tractors increased over the previous year. The increase in output in these industries would have been greater but for the fact that the benefits of liberalised imports were slow to come.

Though the rate of industrial growth in 1966-67 was the lowest for many years, there had been a substantial increase in production potential during the year in terms of additional capacity created. The industries in which capacities stood sufficiently augmented in 1966-67 were steel, aluminium, machine tools, electric power generating and transmission equipment, power boilets, transformers, agricultural tractors, steel forgings, sulphuric acid, cement and paper. The capacity to produce power generating sets was set up for the first time and the capacity to fabricate heavier type of machine tools was also established.

सत्यमेव जयते

A number of new projects were commissioned in the public sector during the year. These included the heavy machine tools project, Ranchi; several plants and facilities in the foundry forge project, Ranchi, in the steel plants and in the heavy electrical plants. The raw film project, Ootacamund, the instruments factory at Kotah, and the expansion of Bhilai Steel Plant (except for the wire rod mill) were completed during the year. The Cochin Refinery went on stream and the two million stage of Koyali and Barauni Refineries were also commissioned during the year. The construction work on the Antibiotics and Synthetic Drugs projects was in an advanced stage. As for fertilisers, while the construction work at Namrup and Gorakhpur was in progress, new projects were taken up for implementation at Madras, Cochin and Durgapur. In the States' sector, the Cherapunji Cement Factory (Assam) commenced production and work on Baragarh Cement Unit was completed.

With a view to relieving the problems faced by the industries, a series of measures were taken during the year. In order to provide the necessary flexibility, changes were made in the regulations governing the establishment and utilisation of capacity. Also, modifications were made in the import control and the policy regarding removal of controls on distribution and prices of certain lines of production, *e.g.*, steel, cement and hardcoke was carried further during the year. The licensing procedures were streamlined in the light of the changing conditions and control under the Industries (Development and Regulation) Act, 1951 was considerably relaxed. 42 industries were exempted from the licensing provisions of the Industries (Development and Regulation) Act 1951. The list included several industries catering to agriculture like power driven pumps, mixed fertilisers and non-vehicular engines and certain industries of export importance such as bicycles, sewing machines and certain other industries like cement, pulp/paper and newsprint.

Regulations regarding diversification of production of engineering industries which were liberalised toward the middle of 1965, were applied to other branches of manufacture in October 1966, subject to certain reservations. New articles, other than certain items of importance to small-scale sector, were permitted to be manufactured without obtaining a fresh licence on the condition that no additional expenditure of foreign exchange would be involved and the output of new articles did not exceed 25 per cent of the total output. This was done to facilitate quicker adjustment of production to technological developments and to changed requirements of foreign and domestic consumers.

To encourage fuller utilisation of existing capacity, industrial units were also allowed from October 1966 to increase their output up to 25 per cent, beyond the licensed capacity, subject to certain conditions, without obtaining a fresh licence.

Plan Outlay

The Annual Plan for 1966-67 had originally provided for an outlay of Rs. 478 crores for organised Industry and Mineral Development. The approved outlay as a result of subsequent adjustments was shown at Rs. 461 crores; as against this the actual expenditure amounted to about Rs. 514 crores. Some new projects *e.g.*, in the fertiliser industry were taken up which were not included in the original plan but this was a supplementary cause of the increase in expenditure. The main factor behind the increase was devaluation which raised the cost of imported machinery, components, spares and raw materials. It was found necessary to revise the total cost of individual projects. The major part of the increase during the year occurred under the projects of Neyveli Lignite, Singareni Collieries, National Coal Development Corporation and National Mineral Development Corporation. Additional provision of Rs. 13 crores was made for loan to the Industrial Development Bank. There were decreases under public sector steel projects and Department of Atomic Energy. The net effect was an increase of Rs. 37 crores in expenditure for the Centre alone, as compared to the plan outlay. Appendix 6.3 gives details of the outlay envisaged in respect of Central Schemes and actual expenditure in 1966-67.

The progress achieved during the year in some of the important industries is briefly reviewed in the following paragraphs:

Iron and Steel

The production of finished steel during the year 1966-67 remained at about the same level as in the previous two years.

Item	Unit	1965-66 Actual		1966-67			
				Target		Actual	
		Cap.	Pro.	Cap.	Pro.'	Cap.	Pro.
Steel Ingots	million tonnes	6·7	6·5	8·9	7·0	7·6	6·6
Finished Steel	—do—	5·1	4·5	6·7	5·2	5·5	4·4
Pig Iron for sale	—do—	1·2	1·2	1·5	1·3	1·2	1·0
Alloy and Special Steel	'000 tonnes	40·0	35·0	50·0	35·0	50·0	40·0

While there was some increase in production from the expanded facilities at Bhilai, the full benefits of the rated capacity could not be derived from Durgapur and Rourkela plants. In the case of Bhilai, production could have been better but for the slackening of demand for pig iron, rails and structural sections. The cut on the expansion programme of the railways particularly affected the Bhilai rail mill and the Durgapur sleeper plant. The production in the wheel and axle plant at Durgapur and tin plate section at Rourkela continued to be far below the rated capacity.

There were delays in the setting up of new facilities as part of the expansion programme from 1 million to 1.6 million tonnes at Durgapur and in the completion schedule of the alloy steel project, Durgapur. Although the first stage expansion of Bhilai Steel Plant was completed in all respects except the wire rod mill, there were delays in commissioning. The completion schedule of the Rourkela Steel Plant also could not be strictly adhered to. The production from the three steel plants in the public sector was as shown below:

Production of Iron and Steel in the Public Sector

(million tonnes)

Item	1964-65			1965-66			1966-67		
	Pig Iron for sale	Steel Ingots	Saleable steel	Pig iron for sale	Steel Ingots	Saleable steel	Pig Iron for sale	Steel Ingots	Saleable steel
Bhilai . . .	0·35	1·26	0·91	0·51	1·37	1·03	0·55	1·85	1·33
Rourkela . . .	0·08	0·98	0·70	0·06	1·06	0·79	0·06	0·94	0·68
Durgapur . .	0·39	1·01	0·72	0·34	1·00	0·68	0·20	0·77	0·54
TOTAL . .	0·82	3·25	2·33	0·91	3·43	2·50	0·81	3·56	2·55

There has been a gradual relaxation of control on prices and distribution of steel, culminating in withdrawal of control on all categories in May, 1967. There was a sizeable reduction in the imports of steel during the year. On the other hand, India exported 4.7 lakh tonnes of pig iron and steel valued at Rs. 20 crores in 1966-67 as compared to 2.12 lakh tonnes worth Rs. 3.3 crores in 1962-63. In spite of this, there was accumulation of stocks in certain categories during the year because of the depressed internal demand.

Due to the lower projection of demand for steel in the immediate future and lack of sufficient resources, the expansion programme of the Tata Iron and Steel Company was deferred. Also no significant progress could be made in the implementation of expansion programme of the Indian Iron and Steel Company from 1 to 1.3 million tonnes. In the alloy steel section, work on the conversion scheme of Mysore Iron and Steel Works, from mild steel to alloy steel and the projects of Mahindra Ugine adn Guest, Keen Williams Ltd. made satisfactory progress. The steel furnace-*cum*-continuous casting plant of Mukund Iron and Steel and the Madras State Project at Arkonam also progress satisfactorily.

Non-ferrous Metals

The production of aluminium during 1966-67 was of the order of 74,200 tonnes as against 62,000 tonnes during 1965-66 but it fell short of the target of one lakh tonnes. The production also did not reflect the full benefits of the expanded capacity which stood at 93,600 tonnes, compared to 88,500 tonnes in 1965-66 Production suffered due to delays in the availability of additional electric supply as well as power cuts. But for these factors, output would have been higher as the demand for the metal continued to outstrip production. To meet the rapidly rising demand for aluminium, two new projects were proposed to be set up in the public sector at Ratnagiri (Maharashtra) and Korba (Madhya Pradesh) with a capacity of 50,000 tonnes and 100,000 tonnes per annum respectively. Difficulties were, however, experienced in reaching satisfactory terms of agreement with technical collaborators, especially in regard to the development of design engineering in relation to indigenous equipment aimed at reducing the foreign exchange expenditure. In the private sector, the important proposals were those of the Indian Aluminium Company for the setting up of a 30,000 'tonnes plant at Belgaum in the first stage and the expansion of Hindustan Aluminium Corporation capacity from 60,000 to 1,20,000 tonnes.

The smelter of Hindustan Zinc Limited designed to produce 18,000 tonnes of electrolytic zinc metal annually was under construction near Udaipur. Arrangements were being made with the State Government for supply of adequate water and power for the unit. It was apprehended that difficulties in regard to adequate supply of electric power might affect the commissioning of the unit according to the schedule.

The implementation of the Khetri copper project, designed to produce 31,000 tonnes of electrolytic copper per annum continued apace. However, there was some delay in placing orders for the equipment. It is unlikely that the project will be commissioned by the end of 1969, as was earlier anticipated.

Ferro-alloys

The ferro-manganese industry continued to suffer from lower demand from the importing countries and from the indigenous steel industry There was substantial progress made in the setting up of two alloy carbon ferro-chrome projecs, one in Andhra Pradesh and he other it Orissa; these are likely to go into production in 1968-69.

Engineering Industries

Though large expansion in capacity materialised during the year in the field of heavy engineering industries, it was not matched by increased output. Several factors contributed to this development. Due to the slowing down of the economy, there was a shortfall in the anticipated level of goods traffic and as a result there was a cut in the development programme of the railways. Consequently, the group of industries engaged in the supply of railway equipment were adversely affected. The wagon building industry, grey iron foundries which supply sleepers and steel castings industry which caters to the requirements of railway axle-boxes were particularly hit. Since the expected increase in demand for coal did not materialise, the programmes for the mechanisation and expansion of collieries were deferred which adversely affected the build-up of production at the Mining and Allied Machinery Project, Durgapur which was set up mainly to cater to the needs of this sector. Attempts were made to diversify production but this required considerable input of design engineering and a gestation period was involved. Another industry which was also adversely affected due to slack demand from the coal mining industry, was wire ropes. Capacity utilised in the steel wire rope industry during the year was estimated at 14,000 tonnes or half the installed capacity of 28,000 tonnes.

Similarly, the slow down of the expansion programmes at Durgapur and Rourkela affected the build-up of the output of Heavy Engineering Corporation, Ranchi which was also compelled to diversify its production with consequent time lags involved in such operations.

The Heavy Machine Tool project at Ranchi went into production in October 1966 only and therefore the scope for showing any substantial output during the year was limited. It was unable to secure large orders and build up production of heavy machine tools which are normally required for heavy engineering industries.

Due to recessionary trends, a number of industries such as structurals, cranes, etc. suffered a setback. The difficulties faced by the textile industry depressed the demand for textile machinery and its production during 1966-67 slumped to Rs. 18 crores (exclusive of spares and accessories) as compared to Rs. 24.2 crores in 1965-66.

The production of machine tools exclusive of accessories) increased from Rs. 22:6 crores in 1965-66 to Rs. 26:4 crores in 1966-67. The capacity also increased by Rs. 2:4 crores to Rs. 32:4 crores during the same period. Both the capacity and production, however, fell short of the target of Rs. 35 crores set for 1966-67. The demand for machine tools declined during the year 1966-67. Because of the slackness in demand, there was accumulation of stocks with the Hindustan Machine Tools Ltd. and the expansion programmes of the units at Pinjore, Kalamassery and Hyderabad were deferred. The existing capacity of these plants as well as that at Bangalore remained under-utilised. Paradoxically, under-utilization of capacity and large imports of machine tools existed side by side. Imports of machine tools, generally of heavy type and special purpose varieties rose to Rs. 40.8 crores in 1966 as compared to Rs. 32.6 crores in 1965. The production of indigenous industry is confined mostly to general purpose machine tools. Efforts were, therefore, made to diversify production on a large scale and to push exports of machine tools.

Heavy Electricals

Substantial capacities were added in the Heavy Electrical Projects at Bhopal, Tiruchirapalli and Hyderabad. There was an overall increase in production during 1966-67 except in the case of cables and wires, winding wires and paper insulated power cables. The production of traction motors, electric motors and transformers (66 KV or above) made good headway. Import substitution has also been progressing satisfactorily. In view of the long gestation period for the manufacture of sophisticated electrical machinery, such as hydro and thermal turbines, generators, etc. an effort was being made to tie up the production programmes of these units with the power programmes. However, it was felt that in the absence of assured orders, satisfactory build-up of production might present difficulties in the near future.

Bharat Heavy Plate and Vessels

This project to be located at Visakhapatnam was taken up in June 1966 and has progressed according to schedule. It is being implemented with Czech assistance. When completed, the project is expected to make a significant contribution in meeting the requirements of plant and machinery for fertiliser plants and petroleum refineries, the bulk of which is being imported at present.

Compressors and Pumps Project

This is a Third Plan project which has been taken up as a spillover scheme and is to be implemented with Soviet collaboration. It was proposed that the plant which is to be located at Naini (Allahabad) would manufacture 16,700 tonnes of pumps and compressors yearly and will have its own grey iron foundry. The locally produced heavy compressors and pumps will help to meet the requirements of steel, fertilizers, chemicals, petroleum and petro-chemicals industries. The detailed project report which had since been received was under examination.

Light Engineering Industries

The production in a number of light engineering industries engaged in the manufacture of consumer durables either declined or showed only a marginal increase on account of slack demand for the products. The expansion programmes of these industries also faltered. It is obvious that such industries would quickly respond to an increase in the purchasing power which should help them to step-up production.

Fertilisers

There was no increase in the installed capacity for nitrogenous fertilisers which remained at the same level (5,85,000 tonnes) as in the preceding year. This was mainly due to the fact that the original time-schedule for commissioning the Visakhapatnam fertiliser factory, which was to contribute an additional capacity of 80,000 tonnes of N and 73,000 tonnes of P_2O_5 could not be adhered to. It has since gone into production in 1967-68.

The production of nitrogenous fertilisers increased to about 2,93,000 tonnes in 1966-67 from 2,32,000 tonnes in 1965-66. Though there was a substantial step-up in output, the production was lower than the original target of 400,000 tonnes for the year. Shortfall was primarily due to lower production at Sindri, FACT, Trombay and Neyveli. The poor quality of gypsum and the imbalance in the gas supply resulted in lower output at Sindri. Remedial measures since initiated by way of rationalisation of the production programme and the establishment of naphtha gasification plant to supplement the gas supply are expected in due course to enable Sindri to step-up its output close to the rated capacity. The shortfall in output at FACT was primarily on account of shortages of sulphur and power supply. The Trombay plant faced serious difficulties which were partly in the nature of teething troubles, but more importantly due to design deficiencies noticed in the nitrophosphate plant. The Neyveli Project also faced operational problems in addition to shortage of imported spares and chemicals. Shortage of coke oven gas in the case of Rourkela was an important factor limiting production to about one-third of the installed capacity. This deficiency is now being rectified through the addition of a balancing naptha gasification plant.

Although some of the deficiencies were known for some years such as the shortage of adequate gas supply at Sindri and Rourkela, decisions on remedial measures took an unduly long time. Lack of advance programming for procurement of sulphur and the failure to enter into long-term contracts for supply of the commodity, in spite of anticipated shortage in the world market did, to a considerable extent, upset the fertiliser production programmes during the year. The lesson is clear. In the matter of essential raw materials, the supplies of which are critical, there is need to enter into long-term supply arrangements in order to avoid production upsets.

In the case of phosphatic fertilisers, the installed capacity was operated at an overall level of about 60 per cent during the year. Against the installed capacity of 2,37,000 tonnes of P_2O_5 the actual production in 1966-67 was only about 1,44,000 tonnes. This was substantially below the targeted production of 2,00,000 tonnes envisaged for the year. While the deficiencies in the nitrophosphate plant at Trombay contributed partly to the shortfall in output, the main reason for the substantial gap between the target and output was the acute shortage of sulphur experienced during the year.

Steps were taken to plan additional capacity for phosphatic fertilisers. In view of the likely shortage of sulphur for some years to come, expansion plans were primarily based on the utilisation of domestic sources of pyrites and induction of processes involving little or no use of sulphur. On a consideration of various alternative possibilities, the production of phosphatic fertilisers at Madras was decided to be planned on the basis of imported phosphoric acid. A process without the use of sulphur for production of phosphatic fertilisers at Kotah was approved. Planning was also initiated during the year for additional production of phosphatic fertiliser at Sindri, based on Amjore pyrites.

Work on three new fertiliser projects in the public sector was started during 1966-67. These are, the Madras Fertiliser Factory with a capacity of 1,90,000 tonnes of N and 85,000 tonnes of P_2O_5 and the Durgapur and Cochin Projects each with a capacity of 1,52,000 tonnes of N. The latter two projects are being designed, engineered and constructed exclusively by the Fertiliser Corporation of India and FACT [Fertilisers and Chemical (Travancore) Ltd.]. The purchase of know-how from Montecatini (of Italy) for the urea and ammonia process and from Power Gas Corporation (of U.K.) for the naphtha reformation process enabled the designing of the plant within the country. The fourth stage expansion of the FACT project, raising the production capacity to 92,000 tonnes of N was also approved.

In 1966-67 fertilisers worth about Rs. 97 crores were imported and the requirements were growing. With a view to attracting private investment in the fertiliser industry, which has been given a high priority, several policy decisions were taken towards the end of 1965. New fertiliser factories were freed from distribution and pricing control for the initial period of seven years of production, subject to the right of the Government to procure 30 per cent of the output on a negotiated basis. During the year, approval was given to a number of new projects in the private sector, including the Goa Project, Kota Project and Kanpur Project. The expansions of Gujarat Fertiliser Project and Ennore Project were also approved.

Heavy Chemicals

The production of caustic soda showed a modest increase from 2,18,000 tonnes in 1965-66 to 2,33,000 tonnes in 1966-67. In relation to the increase in capacity which was stepped up from 2,70,000 tonnes to 2,96,000 tonnes over the same period, the production level was low, indicating considerable unutilised capacity. One of the important factors contributing to the low production was the serious power shortage which affected several units in the industry. The progress achieved in terms of capacity was, however, adequate and the industry reached the stage of near self-sufficiency. There was a modest increase during the year in capacity in the soda ash industry to 3,63,000 tonnes at the end of 1966-67. The increase was achieved primarily through expansion of one of the existing units. There was also a modest increase in output from 3,31,000 tonnes in 1965-66 to 3,48,000 tonnes in 1966-67. A stage bordering on self-sufficiency was also achieved in this industry. The progress towards creation of additional capacity was, however, not satisfactory as the new schemes which had been licensed made little stride. Delays in reaching appropriate collaboration agreements and shortage of foreign exchange prevented active implementation of these schemes.

The production of sulphuric acid showed only a marginal increase from 6,62,000 tonnes in 1965-66 to 7,02,000 tonnes in 1966-67. Serious shortage of sulphuric acid was experienced by the phosphatic fertilisers and some other industries. The output would have been much higher but for the restricted supplies of sulphur.

The progress of the pyrites project at Amjore (Bihar) was below expectations. The contract for the establishment of the sulphuric acid plant was finalised but the mining programme could not be proceeded with speed, on account of the delays in procuring the necessary machinery and equipment. The work was being carried out more or less manually. This was likely to upset the time schedule for the completion of the project. Having regard to the need to maximise output of pyrites, a decision was taken during the year to expand the mining capacity to one million tonnes of pyrites ore per annum and to take up the detailed exploration work in this connection.

Petro-chemicals

The first naphtha cracker in the private sector (Union Carbide) was commissioned in December 1966, leading to a significant step-up in capacity in polyethylene and related petro-chemicals. The capacity for polystyrene also increased with the completion of an expansion programme. A second and larger naphtha cracker also in the private sector was in an advanced stage of construction in the Bombay area. The scheme of Hardilia Chemicals for the production of phenol and phthalic anhydride made good progress during the year.

There were, however, significant gaps in planning of capacity for some of the critical items of import substitution. Whereas some capacity for synthetic fibres had already been built up, and more had been licensed during the year, planning for the production of fibre intermediates like D.M.T. and caprolactum could not be firmed up. Similarly no scheme had been drawn up for increasing the production of synthetic rubber, despite a growing gap between availability from domestic sources and the requirements. Planning for these items received a setback on account of the difficulties experienced in reaching agreement with foreign collaborating parties on the petro-chemical complex envisaged in Gujarat. The negotiations had to be abandoned towards the end of the year and steps were initiated for framing fresh proposals in order to proceed with the Gujarat Complex under modified arrangements.

There was practically no increase in the production of plastics during 1966-67 over the previous year. In fact there was a slight decline in the output of PVC and polyethelene, though the production of polystyrene increased somewhat. The capacity for polyethelene increased by about 7,000 tonnes as a result of additional capacity brought about at Bombay. Since this capacity was realised only towards the end of 1966-67, it could not contribute to increased output during that year.

Consumer Goods Industries

Cotton Textiles.—The installed capacity for the cotton textile industry was 16.7 million spindles and 2.08 lakh looms at the end of 1966-67. The production of cloth and yard in mill sector was 4202 million metres and 902 million kgs. respectively in 1966-67. The production targets for both cotton cloth and yarn for the year could not be achieved and the production was even below the levels reached in 1965-66. The production suffered on account of various factors such as failure of monsoon which adversely affected the indigenous cotton crop, power cuts which were in force in some of the States, credit stringency, and lower off-take of cloth due to fall in purchasing power of the population. With the restoration of power cut from about the middle of 1966, the tempo of production began gradually picking up but cotton shortage continued to hamper production. The industry was again compelled to work short time from mid-December 1966 to the end of August 1967 and steps had to be taken to conserve the supply of cotton and for its equitable distribution among the mills.

Jute.—The jute industry had to face difficulties during the year due to short supply of raw jute. The production which reached a high level of 1.3 million tonnes in 1965-66 came down to 1.1 million tonnes during 1966-67. Exports of jute goods were also below the levels achieved during recent years.

As the indigenous production of raw jute estimated at 6.92 million bales during 1966-67 was much below the requirements of the industry, imports of raw jute were placed under Open General License up to 31st March, 1967 in order to supplement the domestic supplies. About 17 lakh bales of raw jute and mesta costing about Rs. 57 crores were imported during the year. To enable the importers to meet higher cost of imports, Government decided to give some measure of *ad hoc* assistance to the jute mills. Due to short supply of raw jute, about 15 per cent of looms were sealed from March to August, 1966 and there was a block closure of looms for one week towards the end of May 1966.

Following devaluation, Government levied an export duty of Rs. 900 per tonne on hessian and Rs. 600 per tonne on other jute goods in order to defend the unit value of export goods from a sharp fall. On a review, the export duty on cotton bagging was reduced to Rs. 200 per tonne with effect from 11th February, 1967.

The jute industry made good progress in modernisation of its machinery. Modernisation in respect of both fine and coarse spindles is now sufficient to feed 100 per cent of the installed hessian and sacking looms on a single shift basis and about 7 per cent on the fine side and 10 per cent on the coarse side for the second shift also. By the end of the year, the industry had installed about 3,034 broad looms required for the production of carpet backing cloth. The modern spindles were adequate to feed these looms on a three shift basis.

Sugar.—From a peak production of 3·5 million tonnes in 1965-66 the output of sugar declined to about 2.15 million tonnes in 1966-67. The low output in the year was a reflection of the unfavourable agricultural season and keen competition the sugar industry had to face from the manufacturers of gur and khandasari in securing sugarcane.

Paper and Newsprint.—There was a modest increase both in the capacity and production of paper during 1966-67 as compared to 1965-66. The production of paper and paper board increased from 5,58,000 to 5,80,000 tonnes and the capacity from 6,69,000 tonnes to 7,11,000 tonnes. The increase in capacity was achieved mainly through the expansion of some of the existing units. As a measure to provide greater freedom of development, paper industry was exempted from the licensing provisions of Industries (Development and Regulation) Act in July 1966 and the paper board industry in December 1966. In spite of this relaxation, there was no material improvement in the climate for new investment in the paper industry. The stalemate is attributed to the low profitability of the industry and reluctance of the investors to undertake new projects. The situation portends to the possibility of the the emergence of a shortage in paper over the years with the growth in demand, though the supply position is currently satisfactory. Early attention to solving this problem is therefore indicated.

Considerable progress was made on the construction of the Security Paper Mill being set up at Hoshangabad for the production of 2,700 tonnes of currency and bank note paper. During the year, important items of civil works were completed and the bulk of machinery and equipment had arrived at the site. It is estimated that foreign exchange to the extent of Rs. 3 crores will be saved, when the unit gets in full production.

Against the annual rated capacity of 30,000 tonnes of newsprint, Nepa Paper Mills produced 29,500 tonnes during 1966-67. This was lower than the production of 30,300 tonnes in 1965-66. Labour trouble contributed to the decline in output during the year. The expansion programme of the factory for increasing the capacity to 75,000 tonnes made satisfactory progress. It is expected that the paper mill section will commence production during 1968-69 and the pulp section in 1969-70.

While the progress on Nepa expansion is satisfactory, there is need to plan for substantial additional capacity for newsprint, the import of which is currently of the order of Rs. 12 crores per annum. Little progress was made during the year in initiating new projects in this field. The proposal to put up a new unit in the public sector did not proceed beyond the preparation of a feasibility report. No progress could be made on another project in the private sector owing to the delay in reaching agreement on the terms of supply of forest raw materials.

Cement

The capacity of the cement industry which was 12 million tonnes at the end of Third Plan increased to 12.2 million tonnes at the end of 1966-67. Production increased from 10.81 million tonnes to 11.07 million tonnes during the same period. Both production and capacity were, however, below the targets earlier fixed for the year. The main reason for not achieving the targets was the lag in implementation of some projects which were scheduled to be completed during the year. The supply position of cement was, however, satisfactory and no severe shortages were felt. As a part of the general policy of liberalisation, the cement industry was delicensed in May 1967. The relaxation of satutory control on the price and the distribution of cement announced in January 1966 was extended for a further period of one year ending December 1967.

The Cement Corporation of India which was set up in 1965, was authorised to establish two cement plants with a capacity of 2 lakh tonnes each at Kurkunta (Mysore) and Mandhar (Madhya Pradesh). In addition, the Corporation carried out detailed investigations of limestone deposits at a number of places in the country with the object of promoting new units. Hindustan Steel Ltd. also carried out detailed studies on the establishment of a cement plant at Nandini based on slag from Bhilai steel plant.

2. MINERALS

Mineral Oil.—The Oil and Natural Gas Commission and Oil India Ltd. continued their programme of exploration, development drilling and production in different parts of the country. The programme of the Oil and Natural Gas Commission resulted in (a) location of a very large prospective structure in the offshore areas, north-west of Bombay; (b) the discovery of oil at Dholka, Ahmedabad and Mehsana; (c) further stepping up of the rate of production of crude oil from the Ankleshwar structure from 6,000 tonnes to about 6,600 tonnes per day in April 1966 and further to 7,400 tonnes per day from October 1966; and (d) the commencement of trial production at Rudrasagar (Assam), Kalol and Nawagaon (Gujarat). The total crude oil production by ONGC and Oil India Ltd. during the year amounted to over 4.8 million tonnes of which the share of Oil and Natural Gas Commission was about 2.5 million tonnes.

Total consumption of petroleum products during 1966-67 was around 13 million tonnes. The production of crude oil in the year being around 5 million tonnes. about 8 million tonnes of crude oil had to be imported during 1966-67. The following statement shows actual production of crude oil during the last six years.

Crude Oil Production

	(million tonnes)
1961	0·50
1962	1·07
1963	1·66
1964	2·21
1965	3·02
1966	4·64

The refining capacity has by and large reached a stage of self-sufficiency for the present, with marginal deficits and surpluses which are a normal feature of the oil business. The new refinery at Cochin went on stream in September 1966 and in about six months it had attained a crude oil throughput of about 2.2 million tonnes as against a capacity of 2.5 million tonnes The second million tonne stage of Barauni and Koyali refineries were commissioned during the year. While the crude throughput of the Gujarat refinery had almost reached its rated capacity and touched 2 million tonnes by March 1967, the Barauni Unit had yet to reach the rated capacity. This was mainly due to the difficulties experienced in the coking unit. Construction work started during the year on Madras refinery for a capacity of 2.5 million tonnes.

In addition to crude oil, the ONGC supplied over 47 million cubic metres of non-associated gas from Cambay to the Dhuvaran power station and 73 million cubic metres of associated gas from the Ankleshwar field to the Uttaran power station. Supplies of associated gas to Gujarat Fertilizer Corporation also started during the year.

An important objective of policy is to bridge the gap between crude oil requirements and the domestic production as early as possible by quickening the pace of exploration of oil and prospecting in the country. While the goal of achieving self-reliance in this vital field is accepted, there are certain factors which tend to slow down the process. Due allowance is to be given to the long gestation period between investment and output in the production of crude oil. To meet the growing requirements of petroleum products, it will also be necessary to build more refining capacity and give due attention to the pricing of crude oil as well as petroleum products.

Coal.—In regard to coal (including lignite) a shortfall of 1 to 3 million tonnes was indicated, though the output during 1966-67 at 71 million tonnes registered a marginal increase of about 0·7 million tonnes over the previous year. It did not, however, lead to any serious difficulty in meeting the demands of consuming industries which turned out to be lower as evidenced by the fact that despatches of coal during 1966-67 at 61.97 million tonnes were lower by 1.21 million tonnes than in 1965-66. Consequent on the reduced level of despatches and the marginal increase in production, the stocks of coal at pit-heads at the end of the year rose by more than a million tonnes.

The following table gives details of production of coking coal, non-coking coal and lignite during the last few years:

(million tonnes)

	Coking Coal			Non-cokimg Coal				Total Coal			Lignite
	NCDC	Private sector	Total	NCDC	Singareni	Private sector	Total	Public sector	Private sector	Total	Public sector
1961—62 .	2·91	14·08	16·99	3·14	2·82	32·22	38·19	8·88	46·30	55·18	0·05
1964—65 .	2·76	13·76	16·52	5·50	3·65	37·11	46·26	11·91	50·87	62·78	1·60
1965—66 .	2·78	14·18	16·96	6·83	4·04	39·91	50·78	13·65	54·09	67·74	2·59
1966—67 .	2·89	13·69	16·58	6·50	4·12	41·35	51·97	13·51	55·05	68·56	2·46

It will be seen that while the private sector increased its output by nearly a million tonnes from 54 million tonnes to 55 million tonnes in 1966-67, the public sector's contribution was lower by about two lakh tonnes—this was in spite of an increase of about one lakh tonnes in the output of Singareni collieries which was more than offset by a drop in production from the NCDC collieries and the Neyveli Lignite Corporation. In the case of the NCDC collieries, the actual production was, however not much below the target for 1966-67. The shortfall in the case of the NCDC was due to several factors. In the case of the Neyveli Lignite Corporation, the lower production during the year was due partly to the break-down of one of the units of mining machinery and partly on account of the heavy rains during the last quarter of 1966 which interfered with the tempo of mining operations. While the reduced rate of production of lignite during certain months did affect the generation of electricity from the power station, it did not materially affect the operation of the other units of the complex, *viz.*, the briquetting and carbonisation plant and the fertilizer plant, as they had not gone into full production.

Coal Washeries.—There were nine coal washeries in production at the end of the Third Plan period, with a total rated capacity of about 3060 tonnes per hour. The National Coal Development Corporation was setting up four more washeries *viz.*, Kathara, Gidi, Sawang and Kargali extension. Work on Kathara washery which was being established with Russian collaboration was in progress. The construction schedule of the Gidi washery being set up with Polish collaboration was upset due to non-availability of certain raw materials. The work on Sawang washery being set up in collaboration with West Germany was progressing satisfactorily and it was expected to be ready by March 1968. The NCDC had a plan of constructing two coking coal washeries at Sudamdih and Monidih with raw coal input capacity of about 2.2 million tonnes and 2.1 million tonnes respectively.

Iron Ore.—The output of iron ore was of the order of 26.34 million tonnes in 1966 registering an increase of 2.67 million tonnes over the preceding year. The Kiriburu Iron Ore Project was completed in 1964 but on account of a lag in the provision of ore handling facilities at Visakhapatnam, it could not work to its full rated capacity during the period 1964-66. During 1966-67 this project reached almost full rated capacitv. The Bailadila Iron Ore Project is behind the schedule and could not go into production by the middle of 1967 as had been visualised earlier.

CHAPTER VII

VILLAGE AND SMALL INDUSTRIES

The development programmes for different village and small industries made satisfactory progress during 1966-67, although the size and content of the programmes were considerably smaller than in the preceding year.

On the basis of actual expenditure in the public sector and investment in the private sector in 1966-67, it is roughly estimated that additional whole-time employment had been created for about 1.4 lakh persons. This compares favourably with the annual average achieved during the Third Plan of about 1.25 lakh persons. There was also an increase in the output of cloth in the decentralised sector of the cotton textile industry and exports of the products of certain small industries in 1966-67, although the earlier expectations in these respects were not fulfilled. The progress made towards dispersal of industries, development of industrial cooperatives and small ancillary industries was also slow.

Progress of Expenditure

The following table shows the actual expenditure in the public sector for development of various small industries in 1966-67, along with the corresponding figures for the preceding two years:

Progress of Plan Expenditure under Village and Small Industries

(Rs. crores)

	1964-65	1965-66	1966-67
Handloom industry	5·34	5·04	5·09
Powerlooms	0·29	0·12	—
Khadi and village industries	18·84	19·78	18·60
Sericulture	1·21	1·53	0·99
Coir industry	0·33	0·60	0·34
Handicrafts	1·04	1·69	2·14
Small scale industries	13·52	17·77	11·78
Industrial estates	5·56	5·42	2·16
Rural industries projects	1·71	2·37	2·20
TOTAL	*47·84*	*54·32*	*43·30*

Details of the expenditure separately for the Centre, States and Union Territories are given in Appendix 7·1.

The actual expenditure in 1966-67 was over Rs. 43 crores compared to about 54 crores in 1965-66. The main reason for the decline in the level of expenditure in 1966-67 was the lower priority accorded to this sector as a whole by most of the State Governments, owing partly to paucity of financial resources and partly to the earmarking of the bulk of the limited resources to other heads of development.

Credit and Finance

Under the State Aid to Industries Acts/Rules, the State Governments and the Administrations of Union Territories had disbursed loans amounting to about Rs. 3.7 crores in 1965-66. Total disbursements during 1966-67 were about the same level as in the preceding year. In addition to financial aid made available from the outlay in the public sector, credit facilities continued to be provided by several institutional agencies. Total loans sanctioned by the State Financial Corporations to both small and medium size industrial concerns were Rs. 20.2 crores in 1966-67, as compared to Rs. 23.4 crores in 1965-66. Disbursements were, however, placed at Rs. 17.6 crores in 1966-67, as against Rs. 16.1 crores in 1965-66. Nine of these Corporations have been acting as agents of their respective State Governments for routing concessional finance to small scale industries under the State Aid to Industries Acts/Rules. Under these arrangements, the loans disbursed by the Corporations amounted to Rs. 4.5 crores by March 1967.

The State Bank of India and its subsidiaries, under the liberalised scheme, increased financial assistance to small scale industrial units, industrial cooperatives and small units in the rural industries projects. The total number of units assisted increased from 11,528 at the end of March 1966 to 14,275 by the end of March 1967, and the working capital limits sanctioned to them increased from Rs. 65.66 crores to Rs. 85.63 crores. Under the Credit Guarantee Scheme for small scale industries which is administered by the Reserve Bank of India, 14,544 guarantees for loans amounting to Rs. 53.1 crores were issued during the year under review, as compared to 12,427 guarantees for loans amounting to Rs. 47.9 crores in the preceding year. This included 36 guarantees for Rs. 10.93 lakhs to industrial cooperatives over a period of fifteen months ended March 1967. Following a review of the working of the scheme, several liberalisations were introduced from the beginning of August 1966, including extension of the scheme to cover all State and Central Cooperative Banks and specified non-scheduled banks, enhancement of the guarantee cover and the maximum amount of loan recoverable from Rs. 1 lakh to Rs. 2 lakhs, etc. The Reserve Bank also continued to provide credit facilities to central financial agencies for meeting the working capital requirements of the handloom weavers' societies. The gross drawals of the State Cooperative Banks and the special credit limit sanctioned for the handloom industry in

1966-67 amounted to Rs. 5.04 crores, as against Rs. 5.55 crores in the preceding year.

Industrial Cooperatives

The total number of industrial cooperative societies at the end of 1967 was estimated at 54,000 as against 46,800 at the end of 1964. During this period, the membership was estimated to have increased from 30.10 lakhs to 33.86 lakhs, working capital from Rs. 87.2 crores to Rs. 114·1 crores, production from Rs. 88.2 crores to about Rs. 108.2 crores and sales from Rs. 99·6 crores to about Rs. 156·6 crores. A National Federation of Industrial Cooperatives started functioning in October 1966; its main functions are to encourage export of the products of industrial cooperatives and also to help them in internal marketing. During the period under review, a special Working Group was also set up to examine the difficulties being faced by industrial cooperatives in obtaining their credit requirements from the institutional agencies.

Rural Industries Projects

The Rural Industries Projects Programme which was initiated in 1962-63, aimed at evolving effective techniques, methods and programmes for the intensive development of small industries in selected rural areas. The programme covered 49 project areas and consisted mainly of promotional measures, including provision of training and common service facilities, supply of machinery on hire-purchase terms, assistance for marketing and supply of raw materials and advance of loans for construction of work-sheds, purchase of machinery and working capital. An expenditure of Rs. 220 lakhs was incurred on the programme during 1966-67, as against Rs. 237 lakhs in the previous year. Up to March 1966, 425 training centres had been organised to provide training facilities for about 6,000 persons. Further, 161 common service facilities centres were also set up. About 3,500 new industrial units in the private sector and 300 new industrial cooperative societies were organised in the Project Areas. During the same period, financial assistance was also provided to about 3,100 existing private enterprises and about 1,055 industrial cooperative societies to expand their activities. Thus, about 7,900 units were assisted under the programme, which provided additional employment opportunities for about 49,000 persons.

An Evaluation Study Group set up by the Rural Industries Planning Committee completed its field study to assess the results of the programme. The report of the Committee on Incentives for Rural Industrialisation was under consideration.

Programmes of Development

Precise targets had not been fixed in respect of production and exports of certain small industries for 1966-67, but some broad estimates were given in the last Annual Plan document. The information available about the physical achievements in regard to production and exports of some industries is tabulated below:

	1965-66	1966-67	
	Actuals	Target/ likely trends	Actuals
I. Production			
Cotton handloom, powerloom and khadi cloth (m. metres)	3,124	3,500	3,180
Raw silk (lakh kgs)	21·5	23·0	20·5
		Rs. crores	
II. Exports			
Handloom : standard fabrics	8·3	—	7·5
Handicrafts	27·8	28·0(44·1)	40·4
Coir fibre and products	12·0	13·5(21·0)	13·9
Silk fabrics and waste	2·7	3·3(5·2)	3·5
III. *Industrial Estates*—Nos. completed	283	350	336

(*Note* : Figures in brackets represent post-devaluation equivalents in case of exports).

It will be observed from the above table that the achievements in 1966-67 generally fell short of the earlier expectations. Besides the reduced level of developmental outlay, the other reasons for shortfalls in production, exports, etc., are discussed in the following paragraph.

Handloom and Powerloom Industries

There was an increase in the overall production of cloth in the decentralised sector of the cotton textile industry (*viz.*, handloom, powerloom and khadi industries) from 3,124 million metres in 1965-66 to 3,180 million metres in 1966-67. However, an important reason for the shortfall in terms of the target for 1966-67 was the shortage of cotton, which resulted in scarcity and high prices of yarn. The problem was discussed at a conference and an *ad hoc* Committee was set up to keep a watch on yarn prices and also to recommend suitable guidelines for their determination. The main reason for the decline in exports of handloom fabrics was the shrinkage of demand for Bleeding Madras, which earlier formed a substantial part of the exports.

In the Progress Report for 1963-65, a reference was made to the special Powerloom Enquiry Committee which was set up to review the pro gress of the powerloom industry and to formulate proposals for the Fourth Plan period. The Government's decisions on the recommendations of the Committee were announced in June 1966. Some of the more important recommendations accepted by the Government were for installation of 1,10,000 powerlooms during the Fourth Plan period, preference to be given to the existing handloom weavers to convert their looms into powerlooms and reservation of the production of coloured saris (both piece dyed and yarn dyed) to the handloom sector exclusively.

Khadi and Village Industries

Production of all varieties of khadi (*viz.*, cotton, silk and woollen) was estimated at about 78.4 million meters in 1966-67, as against about 84.5 million metres in the preceeding year valued at Rs. 26.81 crores. The aggregate value of the production of various village industries at the centres assisted by the Khadi and Village Industries Commission, was estimated to have increased from about Rs. 56 crores in 1965-66 to about Rs. 63 crores in 1966-67.

During the year under review, the Khadi Commission continued experiments and limited field trials of two models of new charkha, known as the "Textool" and "Rajkot" models. These 6-spindle model charkhas were designed with a view to improving the techniques of production and ensuring reasonable wages to the spinners and weavers. A quick on-the-spot study of the working of these charkhas was carried out to assess the economics of the models. The report was submitted in July 1967 and was under consideration.

A high-level Committee was set up in June 1966 to review the progress of the development programmes for both khadi and village industries and to make recommendations about their future development. The Committee has since submitted its report to Government.

Sericulture

There was a fall in the production of raw silk of all varieties from 21.5 lakh kgs. in 1965-66 to about 20.5 lakh kgs. in 1966-67, owing mainly to the unfavourable weather conditions, including drought in some States. Exports of silk fabrics and waste increased from Rs. 2.69 crores in 1965-66 to Rs. 3.51 crores in 1966-67. In pursuance of the recommendations of the Tassar Silk Committee set up in 1965 to look into the possibilities of increasing the production of tassar silk, a price support scheme was initiated in Bihar and Madhya Pradesh. The Sericultural Research Institute has evolved certain improved varieties of silk worms and also mulberry plants.

Coir Industry

Exports of coir fibre, yarn and coir products increased from 12.0 crores in 1965-66 to Rs. 13.9 crores in 1966-67. In terms of quantity, however, the exports fell from about 74,234 tonnes to about 64,900 tonnes of all products, including fibre, yarn, mats, mattings, rugs, etc. A scheme of compulsory preshipment inspection of certain coir products was introduced in December, 1965. As a result of the efforts made during the last few years to diversify the production of coir goods, eight factories for production of rubberised coir had started working and a few defibring plants had also been set up for the manufacture of fibre required for rubberised coir products. Work for completion of a factory with five powerlooms for production of matting at Alleppey was in hand.

Handicrafts

Exports of handicrafts during 1966-67 were valued at Rs. 40.4 crores as against Rs. 27.8 crores during the preceding year. According to an analysis of a dozen broad groups of handicrafts, exports in terms of rupees had gone up in respect of 11 groups including precious, semi-precious and synthetic stones; imitation and gold jewellery; woollen carpets and rugs; art metal ware, etc. More than 2,000 firms were registered by the Handicrafts Board under various export promotion schemes. Cash incentives for exports of carpets were also sanctioned. The Board purchased handicrafts worth about Rs. 14 lakhs from the craftsmen and cooperatives of Jammu and Kashmir in 1965 in order to provide financial relief to them, following the Indo-Pakistan conflict in 1965.

सत्यमेव जयते

Small Scale Industries

Small scale units continued to face difficulties due to short supply of certain raw materials, credit and, to some extent, also due to competition from large scale industries in certain lines. However, the Central organisations and the States' Industries Directorates continued to provide assistance in different forms to the small scale sector within the outlay provided for the purpose.

As regards supply of scarce raw materials, a reference was made in the Progress Report for 1963-65 about the Committee set up in September 1964 to make recommendations for securing equitable distribution and proper utilisation of available scarce raw materials among the large, medium and small scale industries. The Committee's main recommendation for distribution of scarce raw materials, without reference to the sector to which the units belong, subject only to the overall national priorities of their end-products was accepted and steps were being taken to collect the data required for implementation of the main recommendations. Subsequently, the supply of scarce raw materials was increased for the small units belonging to the 'priority' industries, but all the other units continued to experience difficulties in procuring their requirements. Small scale units dependent on intermediates and technical materials produced by the organised sector also continued to experience difficulty in meeting their genuine requirements.

A Study Group was set up towards the end of 1966-67 to examine the items considered suitable for production exclusively in the small scale sector. Since the procedure for licensing of industrial undertakings had been liberalised to permit establishment of medium sized units with a capital investment of upto Rs. 25 lakhs without any licence, it was not considered necessary to take further steps for reservation of production exclusively for the small scale sector. Efforts were also continued to encourage promotion of small scale industries as ancillaries to large industrial undertakings in the public as well as private sectors, but the progress was not satisfactory.

An important development was the revision of the definition of a small scale industry. Hitherto, all industrial units with investment in fixed capital, *viz.*, land, buildings and plant and machinery, not exceeding Rs. 5 lakhs were treated as small scale units. Towards the end of 1966, the definition was revised so as to include all industrial undertakings with a capital investment of not more than Rs. 7.5 lakhs in plant and machinery only (excluding land and buildings).

Technical assistance continued to be provided by the extension service of the Central Small Industries Organisation, comprising 16 Small Industries Service Institutes, 6 Branch Institutes and 65 Extension, Training and Production Centres. The National Small Industries Corporation also continued to supply machines on hire-purchase terms and to assist small units in securing contracts from the D.G.S. & D. Machines valued at Rs. 2.95 crores were delivered by the Corporation on hire-purchase terms in 1966-67, as against Rs. 2.74 crores in the preceding year. The total value of purchases from small industries by the Central Government Departments (including Railways) was Rs. 24.2 crores in 1966-67, or about the same level as in 1965-66. Of these, the value of contracts secured by small industries with the assistance of the Corporation was Rs. 14.04 crores and Rs. 17.9 crores, respectively in the two years. The States' Industries Directorates continued to provide financial aid to entrepreneurs and industrial cooperative societies, facilities for training and supply of raw materials through depots, and also to run a limited number of other service and commercial schemes. The number of small scale units registered with the States' Directorates on a voluntary basis increased from about 75,000 in March 1965 to over 1,13,000 by the end of 1966.

Industrial Estates

The progress of the programme upto March 1967 is indicated below:

	As on	
	March 1966	March 1967
Number of industrial estates		
—Sanctioned/sponsored	458	486
—Completed	283	336
—Functioning	198	231
Number of sheds in functioning estates		
—Completed	5,351	6,248
—Allotted	4,628	5,474
—Occupied	4,456	5,223
—Working	3,709	4,348
—Annual production (of working units) Rs. crores	50·20	80·95
Number of persons employed (in working units)	54,650	74,110

Although there was an improvement during the period under review in the allotment of completed sheds, in their occupation and actual functioning, the programme as a whole and particularly the estates set up in semi-urban and rural areas, continued to suffer due to shortage of raw materials, unsuitable locations and lack of integrated planning. These and certain other deficiencies in the working of the programme were also stressed by the Estimates Committee in its 106th report. The State Governments were apprised of the shortcomings and the Ministry concerned decided to concentrate on consolidation of the programme, rather than its expansion, in quantitative terms.

CHAPTER VIII

TRANSPORT AND COMMUNICATIONS

In the Transport and Communications sector, the Plan for 1966-67 provided largely for the continuance of work on the projects carried forward from the Third Plan. The Plan included a small provision for a beginning being made on certain important new schemes which were considered essential for strategic or other reasons. Progress on the continuing schemes has been generally satisfactory. However, there has been some delay in commencement of work on certain new projects, particularly those connected with port development. Additional traffic handled by railways in bulk commodities, more especially coal and steel and raw materials, was substantially less than expected. The capacity available was, on the whole, somewhat in excess of the actual requirements and except on certain metre gauge sections for limited periods, the railways had no difficulty in meeting the requirements fully.

The total provision for transport and communications in 1966-67 was Rs. 431 crores which included Rs. 354 crores for Central programmes and Rs. 76.5 crores for programmes of State Governments (including Union Territories). The actual expenditure during the year was about Rs. 424 crores, including Rs. 342 crores on Central programmes and Rs. 82 crores on programmes of States and Union Territories. While the expenditure on railway programmes was kept substantially below the provision in the Plan, on other programmes, particularly roads and civil air transport, the provisions in the Plan were exceeded. The table below indicates the actual expenditure for major programmes as compared with the provisions in the Plan for 1966-67:

Outlay in 1966-67

(Rs. crores)

	Plan outlay			Actual expenditure		
	Total	Centre	States*	Total	Centre	States*
Railways	225·00	225·00	..	198·68	198·68	..
Roads	104·71	47·50	57·21	111·32	51·64	59·68
Road Transport, Ports, Shipping, Inland Water Transport etc.	46·49	28.71	17·78	49·93	29·19	20·74
Civil Air Transport and Tourism	21·50	19·95	1·55	21·95	20·75	1·20
Communications	30·95	30·95	..	39·86	39·86	..
Broadcasting	1·82	1·82	..	1·94	1·94	..
TOTAL . .	*430·47*	*353·93*	*76·54*	*423·68*	*342·06*	*81·62*

*Including Union Territories.

A detailed statement showing the plan outlays and actual expenditure is given in Appendix 8.1.

Railways

The originating traffic on the railways was expected to increase from 203.1 million tonnes in 1965-66 to 215.1 million tonnes in 1966-67. A large part of the increase of 12 million tonnes was anticipated on account of traffic in coal and steel and raw materials for steel plants. The actual traffic in these commodities during the year was, however, lower than the traffic in the preceding year 1965-66. The increases in traffic in other commodities also did not materialise fully. The total traffic handled by the railways in 1966-67 was thus slightly less than the level attained in 1965-66 as indicated in the table below:

Growth of Freight Traffic in 1966-67

(million tonnes)

सत्यमेव जयते

	1965-66 Actuals	1966-67	
		Forecast	Traffic materia-lised
Coal	66·7	69·0	65·8
Finished steel and pig iron	6·3	6·8	6·3
Raw materials for steel plants	17·4	18·7	16·5
Iron ore for export	5.2	7.2	6.3
Cement	8·6	9·9	8·9
Railway materials	20·7	20·7	17·9
Other goods	78·1	82·8	79·9
TOTAL	*203·0*	*215·1*	*201·6*

Apart from the general slackness in the economy, the railway traffic was affected by drought conditions in Bihar, Eastern U.P. and Madhya Pradesh and heavy floods in Assam and the cyclones on the Coromandal coast. On certain sections of the railways, substantially heavier movements were involved during 1966-67 as compared with the previous year, particularly on account of imported foodgrains and fertilisers. The railways also made use of the available capacity to introduce additional passenger services—as many as 225 trains were introduced or extended during the year. On the non-suburban sections, additional coaches were provided on a number of trains.

Since the expected increases in traffic did not materialise, the railway development programmes were reviewed and curtailed as shown below:

*Outlay on railway development programmes** in 1966-67

(Rs. crores)

	Provision	Actual Expenditure
Rolling stock	115·92	102·11
Works programme	209·08	176·26
TOTAL	*325·00*	*278·37*

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* Including expenditure met from Railway Depreciation Fund.

The content of the programme for the year was revised as indicated in the table below:

Acquisition of Rolling Stock in 1966-67

(Number)

	Target	Achievement
Locomotives		
Steam	183	180
Diesel	76	55
Electric	72	57
Wagons (in terms of 4-wheelers)	26,210	21,207
Coaches	1,387	1,264

सत्यमेव जयते

Works programmes for 1966-67 provided largely for the completion of the carry-over schemes from the Third Plan. Work on the construction of broad gauge line from Jhund to Kandla was accelerated. On the other hand, work on the railway link to Haldia Port was slowed down, since the port project was behind schedule.

Road Development

The programmes for road development in the Central sector provided largely for the continuance of work on the Lateral Road Project and the strategic roads in Gujarat and Rajasthan, in addition to normal works on the national highways. The expenditure on almost all these projects has been somewhat in excess of the original provision in the Plan. The road works financed from the loan from the International Development Association remained somewhat behind schedule on account largely of the difficulties experienced in land acquisition. The total expenditure on the Central road programmes in 1966-67 came to Rs. 51.6 crores as against the original provision of Rs. 47.5 crores. On the road programmes in the State sector also, there has been a little excess in expenditure over the provision in the Plan.

Ports and Harbours

The main projects completed and brought into commission during the year 1966-67 were iron ore handling plants at Visakhapatnam and Paradeep ports. The protracted negotiations with the World Bank for a loan for the Haldia port led to some delays in the commencement of work. It was decided later to finance the project independent of the Bank loan. Work on the Dock Expansion Scheme and the Ballard Pier Extension Scheme at Bombay port made appreciable progress. Preparation of a Master Plan for Bombay port was taken up. The preliminary work on construction of an ore-*cum*-oil dock at Madras port was started. An oil jetty to cater for medium size oil tankers was completed at Cochin port. A detailed project report for development of Mormugao port for handling iron ore in bulk was prepared but actual work could not be commenced as arrangements for financing the foreign exchange part of the expenditure could not be finalised. The work on the projects for development of Mangalore and Tuticorin ports proceeded rather slowly as detailed studies on the scope and financing of the projects were still under way.

सत्यमेव जयते

Inland Water Transport

A Central Inland Water Transport Corporation was set up in February 1967 under the Companies Act 1956 in place of the former Rivers Steam Navigation Company for operating water transport services in the Eastern region. In Kerala, certain improvement works were completed for development of the West Coast Canal and other waterways. In some other riverine States also, work on improvement and development of waterways and construction of approach roads etc. was continued.

Shipping

Certain orders placed for additional tonnage during the Third Five Year Plan period materialised during 1966-67 and as a result the Indian tonnage increased from 15.40 lakh GRT at the end of March 1966 to 18.66 lakh GRT at the end of March 1967.

Civil Air Transport

The Indian Airlines Corporation acquired two Caravelle and three F-27 aircraft during the year. Air India had ordered two Boeings in December 1965 of which one was delivered in October 1966 and the other early in 1967.

Under the programme for civil aviation, work was continued on development of runways and construction of terminal buildings at some of the airports.

Tourism

During the year emphasis was placed on the development of a few selected places as tourist resorts and on completion of certain schemes carried over from the Third Plan.

Communications

The following table compares the main targets and achievements for 1966-67 in respect of the programmes of Posts and Telegraphs Department which account for a substantial provision under this head:

(Numbers)

	Target	Achievement
Telephone connections	100,000	75,086
Public call offices	400	272
Telegraph offices	400	407

Broadcasting

Programme for development of broadcasting in 1966-67 provided mainly for strengthening the home service and the external service of the All India Radio. Among the projects completed for home service, mention may be made of new broadcasting centres at Aijal, Gulbarga, Coimbatore, Agartala, Mathura, Bhagalpur and Udaipur, addition of a high power transmitter at Hyderabad and a permanent receiving centre at Jullundur. Preliminary work was on hand in connection with the setting up of a number of high power transmitters for border service, including those at Calcutta, Jullundur and Dibrugarh. For the external service, a high power short wave transmitter was commissioned at Delhi and another was under installation.

CHAPTER IX

EDUCATION

The details of the outlay and the actuals for 1966-67 are given in the table below:

(Rs. crores)

Sub-head	1966-67					
	Plan Outlay			Actuals		
	States*	Centre	Total	States*	Centre	Total
Elementary Education . . .	18·20	0·33	18·53	11·71	0·27	11·98
Secondary Education . . .	10·44	3·16	13·60	10·58	2·17	12·75
University Education . . .	8·36	19·06	27·42	9·07	17·68	26·75
Teacher Training . . .	**	@	**	2·58	@	2·58
Social Education . . .	0·89	0·04	0·93	0·30	0·02	0·32
Cultural Programmes . . .	0·77	0·69	1·46	0·48	0·51	0·99
Other Programmes . . .	6·04	3·91	9·95	2·80	3·38	6·18
Total : General Education . .	*44·70*	*27·19*	*71·89*	*37·52*	*24·03*	*61·55*
Technical Education . . .	14·53	13·68	28·21	9·65	15·40	25·05
TOTAL : *Education* . .	*59·23*	*40·87*	*100·10*†	*47·17*	*39·43*	*86·60*

*Includes Union Territories.

**Included under elementary and secondary education.

@Included in NCERT programmes shown under 'other programmes'.

†The outlay given in the Annual Plan document was Rs. 98·79 crores. Through adjustments made during the year, it increased to Rs. 100·10 crores.

It will be observed that against the outlay of about Rs. 100 crores for 1966-67, the actual expenditure was Rs. 86·60 crores. The shortfall was Rs. 13·4 crores—about Rs. 1·4 crores at the Centre and about Rs. 12 crores in the States. The shortfall in expenditure under General Education was about Rs. 10 crores and under Technical Education about Rs. 3 crores. The expenditure on elementary education was markedly lower than the original outlay.

Enrolment Targets

The table below gives the position regarding additional enrolment targets at different stages and achievement during 1966-67.

Additional Enrolment at different stages

		1966-67	
		Target	Achievement
Classes I-V	(lakhs)	30·00	22·63
Classes VI-VIII	,,	10·00	8·52
Classes IX-XI	,,	3·00	4·02
University Education (Arts, Science and Commerce)	,,	0.50	1·20
Technical courses (admission capacity)			
Degree level	(nos. addl.)	..	306
Diploma level	-do-	..	..

The enrolment in the primary and middle classes was about 75 percent and 85 percent respectively of the targets. The slowing down of expansion of elementary education was mainly because of the reduction by one-third in the outlay on elementary education. In the case of secondary classes, though the enrolment increased by one-third over the target, there was a small shortfall in the expenditure on secondary education. Adequate funds could not be made available for buildings, libraries and laboratories. The percentage of children enrolled in the primary, middle and secondary classes to the population in the age-groups 6—11, 11—14 and 14—17 years was 80, 32 and 19 resectively as against 79, 32 and 18 in 1965-66. At the University stage, although the enrolment reached was more than twice the target, the expenditure was actually lower than that originally provided in the Plan. This led to a higher teacher-pupil ratio. Physical facilities for buildings, hostels, libraries and laboratories did not keep pace with the increasing enrolment with inevitable impact on standards. Significant developments under different sectors are indicated in the following paragraphs.

Elementary Education

During the year under review the Second Educational Survey conducted under the guidance of the National Council of Educational Research and Training was completed. The Survey will assist in planning the location of new schools. A study on wastage and stagnation in primary and middle schools was completed by the Department of Educational Administration of the National Council of Educational Research and Training. But owing to the paucity of resources, it was not possible to initiate any action programme for the reduction of wastage and stagnation. About 74,000 additional teachers were appointed at the elementary stage. Although it was not possible to undertake any significant programme of improvement of teacher training institutions, some States raised qualifications for entry into training institutions and some others extended the duration of the training course to two years. Some States decided to appoint graduate headmasters in middle schools. Science equipment was supplied to middle schools in a few States only. Programmes of mid-day meals at the primary stage were continued at about last year's level as funds to expand the programmes on any appreciable scale were not available. In Bihar, however, a very large programme of feeding about 4·5 million children with the help of CARE was undertaken as a part of famine relief work.

Secondary Education

The National Council of Educational Research and Training introduced correspondence courses for secondary teachers in the four Regional Colleges of Education and the Central Institute of Education, Delhi, largely with a view to clear the backlog of untrained teachers in secondary schools. Among the programmes of qualitative improvement, science education received priority. Under the Crash Programme, sponsored by the Central Government, grants were given to secondary schools for purchase of science equipment. The State Institutes of Science Education, which were established during the Third Plan period organised in-service-training courses for science teachers. Work relating to the development of curriculum and production of text books in science subjects was also continued during the year under review. The State Evaluation Units and the State Boards of Secondary Education made further progress in introducing new evaluation techniques at the secondary stage. However, on the whole, owing to the pressure of expansion and the paucity of resources, the qualitative programmes did not receive sufficient attention.

University Education

The number of universities rose to 70 at the end of the year under review and the number of affiliated colleges increased from 2,572 to about 2,700. With effect from 1st April, 1966 the scales of pay recommended by the Education Commission were introduced in the Central universities. Some State Governments have also agreed to give the revised salary scales to university and college teachers in their areas. The number of National Scholarships increased to 7,000 as against 2,650 in the preceding year. Under the National Loans Scholarships Scheme, 18,500 awards were made during 1966-67. The preliminary work for the establishment of the Jawaharlal Nehru University in Delhi made good progress and the Bill for the establishment of the University was passed by the Parliament in December 1966. The University Grants Commission continued to provide assistance to universities for the development of promising departments as centres of advanced study. The University Grants Commission also provided assistance for the construction of staff quarters, hostels, day students' homes etc. Special assistance was provided to Jammu and Kashmir University for the development of two campuses at Jammu and Srinagar. The Institute of Advanced Studies, Simla and the Institute of Russian Studies, New Delhi, continued to make good progress. The programme of publication of standard text-books was also continued.

Technical Education

Owing to the recession in the economy, unemployment among engineers was reported from a number of States. It was, therefore, decided that the existing facilities at the degree level need not be increased. As a result, the emphasis shifted mainly to the strengthening of existing institutions. Action was taken for the establishment of four regional centres for the training of teachers of polytechnics. A programme of summer institutes was organised for teachers of engineering colleges and polytechnics. Attention was also given to the improvement of post-graduate education and research. There were about 40 institutions by the end of 1966-67 which had facilities for post-graduate studies for about 1,500 students.

Other Programmes

The work of the National Council of Educational Research and Training in the field of curriculum development, evaluation, text-book production, extension programmes, etc., was expanded further. The Science Talent Search Scheme was revised to cover the undergraduate, postgraduate and research stages.

The programme of summer schools and institutes was continued during the year. 44 summer institutes were held in collaboration with USAID in which over 1,700 school science teachers participated.

The manuscript of the Year Book of Education on Secondary Education was finalised and that on Educational Research was under print. The programme for the development of languages, culture and physical education made limited progress. The Report of the Education Commission published during the year was under the consideration of the Central and the State Governments.

CHAPTER X

SCIENTIFIC RESEARCH AND NATURAL RESOURCES

1. SCIENTIFIC RESEARCH

Department of Atomic Energy

The three reactors Apsara, CIRUS and Zerlina were fully utilised for research and isotope production. Isotopes and labelled compounds produced in BARC found a market in some foreign countries. The production of nuclear grade uranium was maintained to meet the needs of CIRUS and Zerlina.

A significant achievement was the preparation of a plutonium-beryllium neutron source from plutonium-239 produced at the Trombay Plutonium Plant. The technical Physics Division fabricated various items of equipment worth about Rs. 16·4 lakhs of which the foreign exchange component was only Rs. 1·8 lakhs. This Division also successfully developed a plasma gun capable of operating at a power level of 60 K.V. and producing temperatures ranging between 5,000°C and 30,000°C.

The Electronics Division has undertaken the fabrication of control equipment worth more than Rs. 10 lakhs for the Tarapore Atomic Power Project.

The steady increase in the use of radiation sources in agriculture, industry, medicine and research all over the country necessitated the expansion and diversification of the activities of the Directorate of Radiation Protection.

The Fuel Processing Division was engaged in (1) the operation of the Plutonium Plant; (2) conducting development work in the field of fuel reprocessing, and (3) designing of additional and auxiliary facilities for processing irradiated thorium and irradiated power reactor fuels.

During the year, the Biochemistry and Food Technology Division initiated certain new lines of research on (1) fundamental and applied aspects of cell metabolism and (2) food irradiation procedures of possible application in practice.

During the year under review, the Tata Institute of Fundamental Research developed design of an on-line data processor (OLDAP), and a metatheoretic model which can cope with programming languages and computers within a uniform framework. It also completed the building, testing and calibrating of a speech spectrum analyser and the development of a picture-processing language known as COMPAX which can be used to stimulate a hand-printed English letter generator. In Ahmedabad, the Physical Research Laboratory installed a cosmic ray telescope which is now undergoing trial. The laboratory also designed, fabricated and tested a rocket payload for use at Thumba.

At the Saha Institute of Nuclear Physics in Calcutta, a technical physics group has been formed to develop some costly and scarce equipment required by researchers.

Certain peculiarities in the growth-pattern of cancer among Indians are focussing the attention of researchers at the Tata Memorial Hospital, and the Indian Cancer Research Centre at Bombay. At the hospital new methods are being tried out for the treatment of cancer of the gullet, cheek and tongue. At the research centre, investigations on a non toxic protein constituent of cobra venom for destroying tumour cells are continuing.

In the field of space research, the Department approved the setting up of the Space Science and Technology Centre at Veli Hill near Thumba. Nine sounding and meteorological rockets were launched during the year. A significant development was the successful performance of an integrated payload designed and constructed by Indian scientists.

The Department continued its programme of extending financial assistance to Indian universities and institutions for work on specific projects related to nuclear science.

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Council of Scientific and Industrial Research

25 national laboratories, three industrial and technological museums and two research centres functioned during the year 1966-67. Besides, three new institutions: The Regional Research Laboratory, Bhubaneshwar, the Industrial Toxicology Research Centre, and Mafatlal Scientific and Technological Museum were in the planning stage.

During the year under report, a unit of the Structural Engineering Research Centre was established at Madras. A new division of mineral technology was created at Central Fuel Research Institute, Jealgora. A bipolymer laboratory was added to Central Leather Research Institute, Madras. Two new research laboratories, one for plant breeding and virology, and a division of floristic botany and nomenclature were set up at National Botanical Gardens, Lucknow. Three centres of the Mechnical Engineering Research and Development Organisation started functioning at Ludhiana, Poona and Madras.

The Council continued to give financial and technical assistance to industry with a view to encouraging scientific research through Research Associations formed by the industry. During 1966-67 nine such Research Associations were functioning: three for textile industry and one each for silk and art silk; plywood; wool; tea; cement and jute.

In order to give incentive to industry for the development of certain specialised instruments, Central Scientific Instruments Organisation has set up development centres with well established manufacturing concerns in the private sector at Delhi and Madras. A Geo-electric Observatory of NGRI for studies of rapid variation of earth's electro-magnetic field was established at Choutuppal, Hyderabad.

The impact of research efforts made by these laboratories, though not so distinctly apparent in the larger sector of the industry, has certainly made definite contribution in a small way, towards development of many new industries in the country and assisting the existing industries in their systematic growth. The effect has been manifold (a) in the form of new processes and products released to industry; (b) creation of a scientific base and background for establishment of new industries by providing feasibility and project reports; (c) providing the much-needed consultancy, advisory and engineering service; and (d) creating facilities for testing, analysis and standardization.

Out of 243 processes released by the Council to industry on royalty/premium/technical aid basis, 105 processes have been in production. There are 58 processes which have established production on the prototype plants of the national laboratories. In addition, technical details and improvements relating to many processes have been released free of charge, demonstrated or published.

The Governing body of the Council held discussions on the ways and means by which the Council could participate more effectively in industrial development. There was consensus on the question of converting some of the national laboratories which are oriented to specific industries into research associations, in consultation with industries concerned.

In order to achieve the maximum benefits from available resources in manpower and finance, the Council has undertaken a review of the working of the existing pilot plants and major research projects.

Ministry of Education (Scientific Surveys and Development Division)

The tempo of work on various expansion and modernisation schemes of Surveys of India has been slow. Out of the nine projects of the Survey of India, only three *viz.*, (1) Indian Photo Interpretation Institute, (2) Project for Pilot Production and Training Centre for pre-investment surveying, mapping and training, and (3) raising of one Circle Office, 9 field parties and 3 drawing offices under the hydel schemes, were implemented. In the first project, the tempo has been slowed down due to high training charges imposed (which is discouraging the prospective trainees) and difficulties in recruitment of Indian counterparts. In the second project, the progress has been tardy due to the delays in the building programme. The third project is expected to be able to fulfil its role effectively during the coming years. In the following six projects no progress could be made due to lack of adequate funds.

(1) Survey flight group;

(2) Research and development;

(3) Surveys for mineralogical explorations;

(4) Map re-production and cartography;

(5) Geodetic surveys; and

(6) Surveys for irrigation and power projects.

The Survey of India requires strengthening as the base maps are pre-requisites for hydro-electric power, flood control, mineral development projects, etc.

Zoological Survey of India, Anthropological Survey of India and Botanical Survey of India and aided research institutes concentrated during the year on consolidating the schemes undertaken earlier.

2. NATURAL RESOURCES

Several studies and surveys on natural resources were completed during the year and a beginning was made with some others.

Land Resources.—An earlier study on waste-lands, including saline, alkali, and waterlogged lands and their reclamation made in 1963, was revised during the year and brought up to date. This information should facilitate optimum utilisation of ground-water for suitable crops in relation to the soil types and climatic conditions.

The Committee on Natural Resources also undertook a study on soil conservation measures in catchment areas above dams in river valley projects. In the first phase of the study, reports on seven projects were finalised, namely, those on Bhakra-Beas, Machkund, Kundah, Mayurakshi, Damodar, Ghod and Kangsabati, and a consolidated report will be published shortly. The study aims at bringing out bottlenecks, both administrative and technical, so as to prevent the siltation of the dams. Studies on six other projects, namely, Hirakud, Ramganga, Dantiwada, Tungabhadra, Chambal and Pohru are in progress.

The preparation of a soil map of India in the scale 1:1 million was undertaken. Because of the existing gaps in information, it appears that the work will have to be carried forward to the next year. The object is to concentrate on a couple of States and to draw up maps which would then be considered by an inter-Ministerial Study Group.

Forest Resources.—The study on Matchwood-Trends and Prospects was undertaken. The demands for matchwood by the year 1980-81, is being assessed in the light of population growth, increase in income, changing habits, and changing pattern of fuel consumption. The study when completed would project the likely supply of matchwood against the demand and suggest measures to bridge the gap between the demand and supply.

Mineral Resources.—Studies on competitive position of Indian manganese ore and mica in the world markets, bauxite deposits, phosphate deposits, etc. were in progress.

Water Resources.—Studies on ground water are being carried out by various organisations such as the Geological Survey of India, Exploratory Tubewell Organization, Oil and Natural Gas Commission, State Geological Departments, and State Agricultural Departments in order to make a quantitative and qualitative assessment of the available ground water resources. Action has been initiated by the Committee on Natural Resources to complete and bring together all such data which will form the basis for a complete inventory of the ground water resources of the country.

A review of water requirement of crops in India was entrusted to the Ministry of Food and Agriculture.

A study on the use of water for industrial purposes was also initiated and assigned to the Directorate General of Technical Development in the Ministry of Industrial Development and Company Affairs.

Energy Resources.—The second meeting of Energy Planning Committee was held during the year which discussed the recommendations given in the Energy Survey of India Report and decided to process the main recommendations for their implementation. A Study Group for rationalised collection of statistics was also formed.

During the year under report, fresh data for 1963-64 and 1964-65 on production and consumption and trade, as applicable to different sources of energy, and also data on transformation of one form of energy into another were collected.

Action was initiated, with the cooperation of the Ministry of Petroleum and Chemicals, to collect end-use statistics of petroleum products by sector, by industry, and by State. Tabulation of data on domestic fuel consumption covered in the 18th round of National Sample Survey organised by the Central Statistical Organisation, was arranged with the assistance of the Indian Statistical Institute, Calcutta.

CHAPTER XI

HEALTH, FAMILY PLANNING AND WATER SUPPLY

1. HEALTH PROGRAMMES

For 1966-67, a provision of Rs. 40·54 crores was made for Health Programmes against an anticipated expenditure of Rs. 54·20 crores in the preceding year. Due to the constraint of resources, outlays, in general, could be allocated for continuing schemes only. Physical targets and acheivements for health and family planning programmes are indicated in Appendix 11.1.

Control of Communicable Diseases

During the Third Plan period, special emphasis had been placed on the eradication of communicable diseases such as malaria, small-pox and control of tuberculosis. During the year under report, the National Malaria Eradication Programme which had been launched in April, 1958, received a setback, as evidenced by local outbreaks of the disease in several parts of the country. As a result, population of about 17 million was reverted to the 'attack phase'. One reason for these local outbreaks was short and untimely supplies of D.D.T. Under the National Small-pox Eradication Programme, launched in the last quarter of 1962, 69.5 million primary vaccinations and over 430 million re-vaccinations were done. Certain pockets of residual 'left-overs' still remained and efforts were continued to locate them. In 1963 the National Trachoma Control Programme was organised through specialised field teams working in C.D. Blocks which were adopted as operational units. There were 53 Government sponsored field teams, and 12 more field teams were sanctioned in November 1965. The participation of suiitable voluntary organisations in the work was also secured. During 1966-67, the activities were extended to some more districts in the States already covered by the programme. Further the extension of the programme to Assam was also approved. By the end of 1966-67, a total population of 11:4 million was brought under the Trachoma Control activities in various States. Survey work under the National Filaria Control Programme was continued in Madhya Pradesh, covering a population of 2.3 million which brought the total population surveyed so far to 28.19 million. The operational programme in Madhya Pradesh was also reorganised and a research-*cum*-training centre was established. The work on filaria control in Goa was brought within the ambit of the National Filaria Control Programme. By the end of 1966-67, five special bureaux for filaria were functioning. Under the National Leprosy Control Programme, 182 control units and 818 SET centres were operating during the year 1966-67. Two voluntary organisations in Uttar Pradesh were given grants by the Central Government to participate in the National Programme which brought the total number of voluntary organisations participating in the programme to 31. During the year, two more training centres were established for para-medical workers which brought the total number of such centres to 12.

In dealing with diseases such as tuberculosis, increased emphasis was being laid on preventive measures in preference to the provision of facilities for institutional care. Under the National Tuberculosis Control Programme, 10 B.C.G. teams were raised during the year which brought the total number of B.C.G. teams in the country to 207. Sixty-seven teams were integrated with T.B. centres/clinics and about 100 B.C.G. teams were doing house-to-house vaccination work. Anti-T.B. drugs to the value of Rs. 20.5 lakhs were distributed to the State T.B. Clinics. Three mobile X-ray units were procured. 15 Training and Demonstration centres were functioning during the year. Under the Goitre Control Programme, 40.7 million people living in the affected areas were supplied with iodised salt.

Medical Care

Although institutional facilities for medical care have considerably increased during the successive Plan periods, they are still well below the targets recommended by the Health Survey and Planning Committee (1961-62). At the end of 1965-66, there were reported to be about 2·40 lakh hospital beds in the country which gave the ratio of about 0·5 bed per thousand population against the desirable norm of one bed per thousand population. During the year 1966-67 about 6·6 thousand beds were added. Under the Central Government Health Scheme, four new dispensaries were opened; three in Delhi and one in Bombay.

The Primary Health Centres serve as the focal point for providing curative, preventive and other basic health services in the rural areas. Upto March 1966, a total number of 4,668 Primary Health Centres were set up on the Central pattern and 289 on the State pattern. For the year 1966-67, it was proposed to establish 521 Primary Health Centres. The total number of Primary Health Centres established by 1966-67 were 5,083 of which 290 were of the State pattern. About 16 per cent of the Primary Health Centres were reported to be functioning without doctors. This was attributed mainly to lack of residential accommodation and poor communications in the rural areas.

Training and Research

During the year 1966-67, only two new medical colleges, one at Simla and the other at Meerut, were opened which increased the total number of medical colleges in the country to 89. The annual admissions went up from 10,520 to about 11,079 during the year. A new dental college at Manipal (Mysore) was opened which increased the total number of admissions in all the 14 dental colleges to 550. Seven post-graduate Departments were sanctioned and 77 scholarships were awarded to students to take up post-graduate medical studies. A budget provision of Rs. one crore was made for the Indian Council of Medical Research to sponsor, develop and co-ordinate medical research in the country. The number of training schools for nurses increased from 229 in 1964 to 246 by the end of 1966.

Indigenous Systems of Medicine

Schemes relating to research, post-graduate education, preparation of pharmacopoeiae and survey of medicinal plants, which were started earlier were continued. Also a scheme for the publication of a journal on research in Indian medicines was approved by the Ministry of Health and Family Planning.

2. FAMILY PLANNING

During 1966-67 a number of important steps were taken to effect a major break-through in family planning.

In April 1966, a separate Department of Family Planning was constituted at the Centre to give proper direction and to effect co-ordination in the various aspects of the family planning programme. This Department has a technical wing, with the Commissioner, Family Planning, as its head. Family Planning cells have also been created in the Health Departments of State Governments to give full time attention to this work.

Re-organised Family Planning Programme

Most of the recommendations of the Special Committee on Family Planning to streamline and strengthen the programme have been accepted. Financial provision was made in the Annual Plan for 1966-67 to meet the additional requirements.

Family Planning is a State subject under the Constitution, but in view of its crucial importance, it has been made a Centrally Sponsored programme. To maintain the tempo of family planning work at an optimum level, the States were informed that 100 per cent Central assistance for all non-recurring items and 90 per cent Central assistance for the remaining items of the schemes will be available for a period of ten years.

The organisational set-up in the States has been strengthened by establishing a State Family Planning Bureau at the headquarter and by making provision for the establishment of a broad based Family Planning Bureau in each district; an urban family welfare planning centre for every 50,000 of urban population; a rural family welfare planning centre attached to every primary health Centre and sub-centres for every 10,000 rural population. Mobile units have been provided at the rate of one sterilisation unit per district and one IUCD-*cum*-Sterilisation Unit for every 5 to 7·5 lakh population. A number of hospital beds have also been specifically reserved for sterilisation cases. These facilities are provided not only free of cost but payments are made to individuals who undergo operation to compensate them partly for loss of wages, and to meet out of pocket expenses. The States have been authorised to incur expenditure at the rate of Rs. 11, Rs. 30 and Rs. 40 per case of IUCD insertion, vasectomy and tubectomy respectively. These amounts include the expenditures on drugs and dressings and payments to individuals undergoing the operation, and also to motivators and doctors.

Shortage of Personnel

To meet the shortage of doctors, particularly women doctors, the following principal measures were adopted :—

(i) A Central Family Planning Corps of doctors has been set up for meeting the requirements of those States, where there is a shortage of doctors. These doctors are given a special allowance for working outside the State of domicile. Though there were 200 sanctioned posts under this scheme, it was not possible to recruit and post more than thirty doctors during the year under review;

(ii) 2,500 stipends of Rs. 100 each per month have been sanctioned to medical students, mainly women against a bond to serve the family planning programme, after the completion of their studies for a period equal to that for which the scholarship is awarded; and

(iii) Schemes have been evolved to utilise the services of private medical practitioners for family planning work. However, a close involvement of private medical practitioners in the programme has yet to be accomplished.

As regards para-medical staff, such as auxiliary nurses, midwives, family planning health assistants etc., the capacity of the existing training institutions has been increased and new institutions are being set up to train more staff. Progress in this direction, however, has not been satisfactory. The lack of hostel accommodation for nursing students presents a serious difficulty. There are five Central Training Institutes to train instructors and extension educators. Of the 46 State Family Planning Training Centres sanctioned, as many as 41 were functioning at the end of the year. These centres, however, are not adequately staffed and consequently the training capacity is not yet fully utilised.

Mass Education and Motivation

The communication task is made difficult by a number of circumstances, particularly, the diversity in languages and customs. There is also a widespread traditional resistance to change. To educate and motivate the married couples to adopt the norm of a small family, a broad-based mass education and motivation programme has been evolved.

Supplies

The IUCD factory at Kanpur continued to manufacture loops in sufficient quantity to meet the demands of the programme. There was no difficulty about supplies of conventional contraceptives, except in the case of condoms. For meeting the requirements of condoms, the indigenous production capacity has been increased both in the private and public sectors. A factory is being set up at Trivandrum in the public sector for producing initially 144 million pieces per annum and with a capacity for doubling the output, if necessary. There has been some delay in commissioning this factory for production. Meanwhile the immediate requirements and the gap between the total requirements and the indigenous production is being met through imports.

Targets and Achievements

IUCD.—The IUCD programme was introduced in 1965-66 and there were 8 lakhs insertions in the first year. The number of insertions in 1966-67 at 9·17 lakhs was much lower than was initially expected. The setback was caused by adverse propaganda mostly by those whom the loop did not suit. In 1965 when the IUCD was newly introduced, many people who were already motivated to family planning easily switched over to it. But in the second year of the programme, people had to be persuaded to accept this method. The performance during 1966-67 was, however, better than in the preceding year. State-wise analysis indicated that except for West Bengal and Gujarat which registered a considerable decline in the IUCD insertions, all other States showed an improvement in this respect. Pre-insertion check-up and post-insertion follow-up are being increasingly done now in order to reduce the extent of complaints. It is hoped that with these precautions, IUCD will become increasingly acceptable to a growing number of people.

Sterilisation

The sterilisation programme appears to have caught the imagination of the people both in the urban and rural areas. During 1966-67 over 8·68 lakh sterilisation operations were performed, the highest on record for any single year and represented about 69 per cent of the target laid down. Madras maintained the lead in sterilisation with 2·30 lakh operations. Some States which were hitherto lagging behind like Orissa and Madhya Pradesh reached or exceeded the targets during 1966-67. All other States except Assam showed considerable improvement in this respect.

Family Planning Centres and Sub-Centres

Rural Centres increased from 3,676 to 4,564 during 1966-67. The number of sub-centres nearly doubled from 7,081 to 13,550. 199 urban centres were added during the year to 1,331 centres functioning at the end of 1965-66. Since the full complement of staff was not in position in these centres, their effectiveness was hampered. The main difficulty appeared to be the delay in issuing sanctions by State Finance Departments for the posts suggested by the Union Ministry of Health and Family Planning.

Research and Evaluation

Research on various projects in the field of demography, communication action and bio-medicine having an immediate and long-range bearing on family Planning programme, continued at different demographic centres, universities, the Central Family Planning Institute, the Central Drugs Research Institute and under the aegis of the Indian Council of Medical Research. Steps have been initiated to tabulate the findings in various fields in order that useful inferences may be drawn. The National Sample Survey are including some questions on family planning in the next round of surveys. It is very necessary that there should be continuous evaluation of the progress of work in this field.

Expenditure

Against a provision of Rs. 15 crores for 1966-67, the actual expenditure was Rs. 13·69 crores. This has to be viewed in the light of the fact that sanctions for the enlarged programme were issued late in the year and as a result the start of the operations was delayed. The preparatory work has now been completed and it is expected that the programme will gather momentum in 1967-68.

3. WATER SUPPLY AND SANITATION PROGRAMMES

By and large priority was given to continuing urban and rural water supply and sanitaton schemes during 1966-67. The schemes made good progress during the year. It would be seen from Appendix 11·2 that against a Plan provision of Rs. 3,012 lakhs during 1966-67, the expenditure was of the order of Rs. 2,529 lakhs or about 84 per cent. In addition a sum of Rs. 296 lakhs was spent on the well construction programme and Rs. 13 lakhs on the setting up of special Investigation Divisions for rural areas in a number of States.

Urban Water Supply and Sanitation

During the year under review 53 urban water supply and sewerage schemes, estimated to cost Rs. 1067 lakhs, were approved in the various States and Union Territories. Of these, 18 were in Uttar Pradesh, 8 in Gujarat, 6 in West Bengal, 4 each in Madras, Punjab and Madhya Pradesh, 2 each in Rajasthan, Bihar and Kerala and one each in Andhra Pradesh, Assam and Andaman and Nicobar Islands.

The augmentation and improvements to water supply and drainage schemes in the Metropolitan areas of Delhi, Calcutta and Madras were in progress. The water supply and sanitation programmes in other towns also progressed satisfactorily during the year. Altogether, a sum of Rs. 1,965 lakhs was spent on urban water supply and sanitation schemes during the year.

Rural Water Supply Schemes

A number of rural water supply schemes taken up on an emergency basis in the States of Bihar, Rajasthan, Uttar Pradesh, Madhya Pradesh and Orissa were completed, bringing relief to a number of villages affected by scarcity conditions. During the year, 135 rural water supply schemes, estimated to cost Rs. 772 lakhs were approved in various States and Union Territories. Of these 29 schemes were in Himachal Pradesh, 25 each in Uttar Pradesh and Maharashtra, 13 in Punjab, 11 in Madhya Pradesh, 9 in West Bengal, 6 in Mysore, 5 in Rajasthan, 3 each in Andhra Pradesh and Gujarat and one each in Assam, Bihar, Kerala and Rani Ganj coalfield area. A sum of Rs. 564 lakhs was spent on rural water supply schemes during the year.

Special Investigation Divisions

The survey work initiated during the Third Plan period through the special Investigation Divisions in the States for assessment of rural water supply problems in scarcity areas was continued. Rajasthan and Uttar Pradesh made commendable progress in this regard, and prepared comprehensive plans for provision of rural water supply in all the villages in their areas on a phased programme.

CHAPTER XII

HOUSING AND URBAN DEVELOPMENT

1. HOUSING

The various Housing Schemes continued to be implemented with certain modifications so as to make them more liberal and broad-based. The Subsidised Industrial Housing Scheme and the Rental Housing Scheme for economically weaker sections were integrated with a uniform rate of 50 per cent subsidy and 50 per cent loan. The quantum of Central assistance for the Slum Clearance Scheme was increased from 75 per cent to 87½ per cent of the cost of a house; the balance of 12½ per cent to be found by the State Government and/or the Local Bodies. The Plantation Labour Housing Scheme was modified with a Central subsidy of 25 per cent so as to induce all planters to fulfil their obligation of providing houses to all workers. Under the Middle Income Group Housing Scheme, loans have been allowed for construction of rental houses for approved educational, health and other charitable institutions for allotment to their employees.

Appendix 12.1 shows the outlays agreed to for housing programmes in the Plans of various States and Union Territories in 1966-67 and the actual expenditure incurred. The budget provisions and the expenditure on various housing schemes in the Central Sector are shown in Appendix 12·2. As compared to the budget provision of Rs. 12·2 crores, an expenditure of Rs. 10·5 crores was incurred on housing schemes in the States and Union Territories. The scheme-wise break-up of the expenditure incurred under the plans of States and Union Territories is shown below.

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(Rs. Lakhs)

	1966-67	
	Outlay	Actuals
Subsidised Industrial Housing Scheme	353·03	305·00
Low Income Group Housing Scheme	335·53	365·00
Plantation Labour Housing Scheme	7·10	3·00
Slum Clearance Scheme	279·81	181·00
Village Housing Projects Scheme	93·16	71·00
Others	148·83	128·00
TOTAL	*1,217·46*	*1,053·00*

It may be noted that as compared to the budget provision, there have been shortfalls under all the schemes, except the Low Income Group Housing Scheme. The shortfall was particularly noticeable in the case of Plantation Labour Housing and Slum Clearance Schemes. This is partly due to the diversion of part of the provisions made for housing to other heads of development by State Governments during the course of the year.

Physical Targets and Achievements

State Sector

The physical targets and achievements for the housing programmes in the State sector are shown in Appendix 12.3. It will be noted that for 1966-67, a target of 33,293 houses was set. As against this, actual achievement was 23,506 houses, the rest were under construction. The scheme-wise break-up is given below:

	1966-67	
	Target	Achievement
	(No. of	Houses)
Subsidised Industrial Housing Scheme	9,630	5,925
Low Income Group Housing Scheme	4,817	5,255
Slum Clearance Scheme	14,428	8,434
Village Housing Projects Scheme	4,083	3,460
Plantation Labour Housing Scheme	85	85
Middle Income Group Housing Scheme	250	347
TOTAL	*33,293*	*23,506*

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It will be observed that the targets were exceeded in the case of the Low Income Group and the Middle Income Group Housing Schemes, and were achieved in the case of the Plantation Labour Housing Scheme. In the case of Subsidised Industrial Housing Scheme and the Slum Clearance Scheme, there was a considerable short fall in achieving the physical targets. The lack of an adequate administrative framework for the implementation of the various housing schemes has been one of the main causes for the slow progress on the housing schemes. The Third Plan had recommended that the State Governments should set up statutory Housing Boards. At the end of 1966-67, as many as ten States had not set up these boards.

In addition to the amounts spent by the State Governments under the various housing schemes, a sum of Rs. 12 crores was made available by the L.I.C. to the State Governments for housing schemes. The scheme-wise distribution of this amount was as below:

	(Rs. lakhs)
Low Income Group Housing Scheme	311·71
Middle Income Group Housing Scheme	394·29
Land Acquisition and Development Scheme	218·40
Rental Housing Scheme for State Government Employees	220·60
Village Housing Projects Scheme	20·00
TOTAL	*1165·00**

*Break-up of the remaining Rs. 35 lakhs is awaited from the Governments of Assam and Mysore.

Central Sector

In the Central Sector, out of the budget provision of Rs. 12.07 crores in 1966-67, a sum of Rs. 9.59 crores was spent. The details are given in Appendix 12.2. The scheme-wise progress is indicated below:

(i) *Dock Labour Housing.*—Under this scheme, the Dock Labour Boards are given financial assistance by the Central Government in the shape of subsidy of 20 per cent and loan of 35 per cent of the actual cost of construction. A provision of Rs. 28 lakhs was made for this scheme in 1966-67. The actual expenditure was, however, around Rs. 11 lakhs. The Bombay Dock Labour Board took up the construction of 352 houses in 1966-67. The Madras Dock Labour Board had earlier completed the construction of 240 houses, and commenced the construction of 60 more houses during the year. The Calcutta Dock Labour Board nearly completed the construction of 288 houses during the same period.

(ii) *Office and Residential Accommodation for Central Government Employees.*—A budget provision of Rs. 633 lakhs was made for Office and residential accommodation for the Central Government employees in 1966-67. The entire amount was for works in progress. The actual expenditure incurred was Rs. 593 lakhs. During the year, nearly one lakh square feet of office accommodation was completed at Delhi and construction work on 7·74 lakh square feet was in progress. In addition, construction work on 1.54 lakh square feet of office accommodation at Madras and 1.42 lakh square feet of office accommodation at Calcutta was in progress. Besides, three office blocks, with an accommodation of 0.99 lakh square feet, were completed at Faridabad. As regards residential accommodation, the bulk of the current shortage continued to be at Delhi and New Delhi.

(iii) *Establishment of Cellular Concrete Factories.*—To meet the shortage of building materials in the country, it was decided to set up two cellular concrete plants, one at Bandel and the other at Ennore with Polish assistance. The specifications of the equipment and material to be used and other details of the plants have been settled. The agreement between Gekop, Warsaw and the Madras Housing Board for the plant at Ennore has been signed. Regarding the plant at Bandel, the West Bengal Government wanted the economic aspects of the plant to be re-examined. The NBO helped in working out the revised estimates for this plant.

(iv) *Experimental Housing.*—The Experimental Housing Assessment Committee set up by the Ministry of Works, Housing and Supply has drawn up a detailed procedure for the formulation and execution of experimental housing projects. The various construction agencies (both Central and State) have been requested to sponsor research-*cum*-demonstration projects under the scheme.

(v) *Housing Statistics.*—Statistical cells have been established for collecting housing and building construction data in a number of States, *viz.*, Gujarat, Kerala, Madhya Pradesh, Maharashtra, Mysore, Orissa and Punjab. Similarly the process of establishment of a statistical cell in Andaman and Nicobar Islands was complete and in case of Goa, Daman and Diu, the recruitment of staff was under way. The data have started flowing from some of these statistical cells. In the case of the remaining States and Union Territories, necessary action was being taken.

2. URBAN AND REGIONAL DEVELOPMENT

The programme of preparation of city and regional plans made further progress during 1966-67. Master Plans for selected metropolitan cities, industrial towns, State capitals, ports and resource-regions also made substantial progress. Besides completing a number of Third Plan schemes, a beginning was also made in preparing comprehensive development plans for some of the remaining class I and class II towns, besides tourist and pilgrim centres. Detailed plans were also contemplated for certain regions which had been growing fast and where due to lack of planning and proper direction, haphazard growth had taken place. Substantial progress was made in the preparation of regional plan for South-East Resource Region and some preliminary studies were made on the National Capital Region also. While the plans for inter-State regions, urban research work and city development programmes etc., continued to be looked after by the Centre, the States and Union Territories were busy with the preparation of Master Plans and regional plans and also took up implementation of certain vital aspects of city development plans.

During the year 1966-67, about Rs. 3.3 crores were spent on town planning and urban development schemes. The break-up of expenditure is given below:

(Rs. crores)

Centre	0·75
States	2·07
Union Territories	0·52
TOTAL	3·34

Excepting Mysore and Maharashtra, where comprehensive legislations have been enacted recently, the other States are yet to make headway in this direction. The preparation and execution of town planning schemes in most of the States is the responsibility of the Local Bodies. The State Governments have not so far shown active interest in evolving policy as well as in bringing about coordination between different agencies concerned with physical planning and development. The States have been slow to realise that problems of urban growth are not mere local problems and they affect the growth and development on a regional scale and that State direction is imperative for orderly physical development and economic settlement of population under planned occupational patterns. It is also necessary that adequate training facilities are made available for personnel engaged in town and regional planning work as there is at present a dearth of professional staff in this field. Since town planning is an inter-disciplinary task, it is necessary to give proper orientation to personnel belonging to different disciplines and engaged in the field of urban and regional planning.

CHAPTER XIII

WELFARE OF BACKWARD CLASSES

The Annual Plan for 1966-67 provided for an outlay of Rs. 25·08 crores for the welfare of backward classes. The actual expenditure was Rs. 24.25 crores as indicated below:

(Rs. crores)

	1964-65 (actuals)	1965-66 (actuals)	1966-67	
			(outlay)	(actuals)
Centrally Sponsored Programmes . . .	9·57	12·05	15·37	14·70
State Sector	13·66	14·97	8·96	8·96
Union Territories	0·80	0·99	0·75	0·59
TOTAL . . .	*24·03*	*28·01*	*25·08*	*24·25*

Thus, while the expenditure for Centrally sponsored programmes in 1966-67 was higher than during the last year of the Third Plan, for State sector schemes there was a substantial fall. Also, while in the previous years, the expenditure in the State sector was higher than in the Central sector, in 1966-67 the position was reversed. In that year the disbursements in the State sector were about 58 per cent of those in the Central sector. Most of the expansion in the Central sector was on the schemes of post-matric scholarships and tribal development blocks. The lower outlays in the State Plans during 1966-67 were largely due to financial constraints.

सत्यमेव जयते

For the educational development of backward classes, the scheme of post-matric scholarships was continued as a Centrally sponsored programme with 100 per cent Central assistance. All the eligible Scheduled Tribes students are awarded full scholarships without any means or merit tests. In the case of Scheduled Castes, scholarships are awarded on the basis of graded means test, without consideration of merit. In the case of other backward classes, economic criteria have been introduced since 1963-64. In 1966-67, the expenditure on post-matric scholarships for Scheduled Tribes amounted to Rs. 83·84 lakhs and for Scheduled Castes Rs. 438·14 lakhs (including the share of Union Ministry of Education).

The number of students getting post-matric scholarships was in excess of one lakh, including Scheduled Tribes, 17,760 and Scheduled Castes 90,481. This compares favourably with the position in 1965-66 when 15,925 scholarships were awarded to Scheduled Tribes and 78,548 to Scheduled Castes, a total of 94,473.

Another Centrally sponsored programme for educational development relates to provision of assistance to girls' hostels on which about Rs. 10·78 lakhs were spent in 1966-67. This has been a useful programme as without proper hostel facilities it is difficult for girls to pursue education beyond the primary standard. Available information from the States shows that 32 hostels were assisted in the case of Scheduled Tribes, of which 20 were in Madhya Pradesh, 4 in West Bengal, 3 in Maharashtra, 1 in Rajasthan and 4 in Assam. Information about Andhra Pradesh is not available; however, an amount of Rs. 0·55 lakh was spent on this programme in 1966-67. In the case of Scheduled Castes, assistance was given to 41 hostels (information from Uttar Pradesh is not available). Of the total number of 41 hostels, 12 were in Madras, 1 in Maharashtra, 8 in Andhra Pradesh, 6 each in West Bengal and Madhya Pradesh and the remaining eight in other States. In some States, the expenditure on this programme was lower than the allocation, for instance, in Bihar against a sum of Rs. 1 lakh allocated for girls' hostels for Scheduled Castes, only Rs. 3,000 were spent.

For pre-matric education, schemes implemented in the State Plans were entitled to 75 per cent Central assistance. Important among these were the grant of stipends and scholarships, freeships, book grants and provision of mid-day meals and hostel facilities. These taken together have helped to increase the educational spread among the backward classes. In 1966-67, the expenditure on educational programmes amounted to Rs. 546·52 lakhs of which Rs. 190·30 lakhs were spent for Scheduled Tribes, Rs. 244·02 lakhs for Scheduled Castes and Rs. 112·20 lakhs for other backward classes. The number of scholarships awarded to these three categories in the State sector was over five lakhs; 1·80 lakhs, 2·37 lakhs and 1·15 lakhs respectively.

The most important programme for the economic development of Scheduled Tribes is that of Tribal Development Blocks under which the Department of Social Welfare at the Centre supplements the provision available for the normal Community Development Block. Forty-three T.D. Blocks were opened during the Second Plan period and 415 during the Third Plan period. In 1966-67, 31 new blocks were opened, raising the total number of T.D. blocks by the year end to 489.

A number of other economic uplift programmes were implemented for the backward classes mostly in the State sector. Subsidies were given for purchase of ploughs, bullocks, improved seeds, fertilisers, etc. to raise agricultural output and also for development of poultry and animal husbandry. The rate of subsidy differed within narrow margins from State to State. Other schemes for economic development covered land colonisation and distribution of land to agricultural labourers, soil conservation, minor irrigation and assistance to cottage industries. In 1966-67, for the promotion of cottage industries assistance was given to 22 centres and 1,330 trainees in the case of Scheduled Tribes and 196 centres and 8,434 trainees belonging to Scheduled Castes. Efforts were continued for putting an end to the practice of shifting cultivation by tribals through terracing, bunding, land colonisation, soil conservation and demonstration.

A number of programmes for the promotion of co-operatives were taken up for the benefit of backward classes both as Centrally sponsored scheme and also in the State sector. In 1966-67, 989 co-operative societies were organised or assisted out of the Central allocations for Scheduled Tribes. For Scheduled Castes, 20 co-operatives of sweepers were organised during the year under review. In the State sector, 771 co-operative societies were organised or assisted of which 600 were in Maharashtra and 118 in Uttar Pradesh, and Madhya Pradesh. Thus, most of the progress in the field of co-operation has been confined to a few States. The Co-operative Finance and Development Corporation in Andhra Pradesh and the Tribal Co-operative Development Corporation in Madhya Pradesh continued their role of strengthening primary co-operatives and preventing exploitation by middlemen through purchase, sale, credit, marketing, and other activities.

सत्यमेव जयते

To enable Scheduled Tribe and Scheduled Caste candidates to fill the posts reserved for them, two pre-examination training centres at Allahabad and Madras were given Central assistance to the tune of 100 per cent. In these centres, trainees were provided free board and lodging and given coaching to enable them to compete successfully in examinations for recruitment to I.A.S., I.P.S., and other Central Services, conducted by the Union Public Service Commission. In 1966-67, out of 105 students who availed themselves of these facilities, 36 or about one-third qualified for an interview.

Nine Tribal Research-*cum*-Training Institutes set up during the last decade continued to receive assistance for carrying out research and survey work among tribals and to train personnel required for different projects. There is need to make the programme of work of these institutes more development-oriented and to bring about effective co-ordination between them and the Government Departments concerned with the planning and implementation of programmes.

Under the Centrally sponsored scheme for improvement of working and living conditions of sweepers and scavengers, assistance was given to Local Bodies for the purchase of wheel-barrows, scrapers, etc. in order to eliminate physical contact of scavengers with night soil. The scheme has not been able to make satisfactory progress because of the resistance shown by scavengers in accepting alternative methods of working, existence of customary rights of scavenging, lack of storage space for wheel barrows, the narrow zig-zag lanes which make mechanical operations difficult and a low priority given to the scheme by Municipal Bodies.

For the welfare of nomadic and semi-nomadic tribes, composite settlement and rehabilitation schemes were started in the States where there are sizeable numbers of these people. To rehabilitate the denotified tribes, formerly known as criminal tribes, programmes started during the first two Plans were consolidated and a combined correctional-*cum*-welfare approach was adopted, supported by schemes of social education, economic uplift and housing. Sanskar Kendras and ashram schools were started. Industrial training facilities were provided and subsidies given for agriculture and animal husbandry. Grants-in-aid were continued to be given to voluntary organisations to enable them to take up specific projects like publicity and propaganda for the removal of untouchability, running hostels and educational institutions, organising welfare centres, and conducting training and orientation courses. Many of the voluntary organisations are operating in difficult and inaccessible areas.

Although programmes for the welfare of backward classes are conceived as being supplementary to general development programmes and represent only a part of the resources to be drawn upon for promoting the social and economic well-being of backward classes, in actual practice the backward classes have not received their due share from the general development schemes. It would be necessary, therefore, to ensure that in the future planning of programmes and their implementation, benefits from the general sector programmes flow to the backward classes in adequate measure.

CHAPTER XIV

SOCIAL WELFARE

In the Annual Plan for 1966-67, a sum of Rs. 4·10 crores was provided for social welfare programmes (Centre Rs. 2·56 crores, States Rs. 1·19 crores and Union Territories Rs. 0·35 crore). An expenditure of Rs. 3.39 crores was incurred during the year (Centre Rs. 2·18 crores, States Rs. 1·00 crore and Union Territories Rs. 0·21 crores). Thus nearly 83 per cent of the outlay provided was utilised, mostly on the continuation of the schemes started earlier. Appendix 14·1 gives the details of the outlays made and the expenditures incurred during 1966-67.

In the year under review, attention was primarily focussed on the task of consolidation of social welfare programmes initiated during the last three Plans. At the end of the Third Plan, there were 264 Welfare Extension Projects covering about 4 per cent of the rural population, besides 17 Integrated Child Welfare Demonstration Projects. These continued to function during 1966-67. Steps were taken to evolve a composite programme of family and child welfare on the basis of re-organisation, improvement and expansion of welfare services provided at the existing centres. The new programme was to bring about closer co-ordination between State Welfare Boards and the Panchayati Raj institutions and to provide integrated social services to children in the villages, specially to pre-school children and to train women and young girls in home-craft, mother-craft, health education, nutrition and child care. The programme was also to assist women in villages to obtain supplementary work by promoting economic activities. This new programme of Family and Child Welfare Projects was to be initiated during 1967-68.

About 3,500 voluntary organisations received grants amounting to Rs. 71 lakhs through the Central Social Welfare Board and State Governments for providing welfare services to women, children and handicapped persons. As a measure of economy, no grant was sanctioned for mobile vans and building purposes. The Board assisted welfare organisations in arranging 100 condensed courses of education for adult women, benefiting 2,000 candidates. The objectives of the scheme were to open new avenues of employment to a large number of deserving women and to create a band of competent and trained workers to run the various welfare services, specially in the rural areas. Through the socio-economic programmes of the Board, means of supplementary income were created for about 2,500 needy women in the small industry units. Grants were also extended to 405 *Balwadis* functioning in the integrated child welfare demonstration projects. Since the programmes of voluntary welfare agencies generally suffered in quality due to lack of trained and experienced personnel, the scope of the scheme for financial assistance to voluntary organisations was enlarged to enable them to strengthen their technical and supervisory staff. The scheme was primarily intended to cover the all-India and regional organisations.

For education, training and rehabilitation of handicapped, a sum of Rs. 8·90 lakhs was provided. As against this, an expenditure of Rs. 7·56 lakhs was incurred on assistance to 36 voluntary organisations, training of 30 teachers for the blind, and grant of 276 scholarships to the handicapped. Under the pre-vocational training programme which was implemented with assistance from UNICEF, ILO and UNESCO, 3,346 boys in the age-group 11-14 years whose education had been discontinued earlier, received training in general and vocational courses.

Institutional and other services were also provided to delinquent children and women rescued from moral danger. The Association for Moral and Social Hygiene in India was financially assisted to expand its work regarding eradication of immoral traffic in women and girls. After-care services for those discharged from correctional and non-correctional institutions were improved. Welfare services in prisons including education, vocational training and probation work were enlarged. A sum of Rs. 17·45 lakhs was made available as Central assistance to the States for running children's homes, *bal bhavans*, foster care services and special institutions for the blind, deaf and orthopaedically handicapped children.

Several social welfare programmes such as those relating to implementation of the Children's Act, anti-beggary legislation, Suppression of Immoral Traffic in Women and Girls Act and probation services suffered due to non-availability of funds and trained personnel. In several cases, dependance of the voluntary organisations on the State to meet expenses on their programmes was found to have increased. It was felt that co-ordination between the various agencies and departments concerned with the planning and implementation of the welfare programme needed to be strengthened and the approach to social welfare problems guided by a more positive partnership between the State and voluntary organisations for extending welfare services.

CHAPTER XV

CRAFTSMEN TRAINING AND LABOUR WELFARE

There was no departure from the basic ingredients of the prevailing labour policy and reliance was continued to be placed on the various voluntary arrangements such as Code of Discipline in Industry and Code of Conduct. The resulting impact was not, however, as encouraging as it should have been due to the operation of certain factors like the rising trends in the cost of living and recession in certain sectors, causing closures of some units in the textile and engineering industries, resulting in lay-off and retrenchment of workers specially in Maharashtra and West Bengal. There was marked increase in the number of man-days lost due to industrial strife, the figure reaching 105 lakhs in 1966 as against only 65 lakhs in 1965.

A major step taken by Government during the year was the constitution of a broad-based National Commission on Labour to conduct a fresh review of the developments in the labour field and to recommend suitable guidelines for the future.

The institution of Joint Management Councils which is a measure of the progress of workers' participation in management was functioning in 147 industrial establishments (47 in the public sector and 100 in the private sector) at the end of the year. According to an official review, it was seen that wherever such councils were functioning satisfactorily, they have resulted in improving the industrial relations and increasing productivity. Under the Workers' Education Programme, seven new sub-regional centres were opened, 2,993 worker-teachers and 1,28,304 workers were trained and 1,220 new unit-level classes were organised. Till 31st March, 1967, 51 booklets in English and 500 in regional languages were published by the Central Board of Workers' Education. For encouraging greater participation of trade unions in the programme, their matching contribution was reduced from 25 per cent to 10 per cent.

With the setting up of new Wage Boards for leather industry, road transport and electricity undertakings the total number of industries covered by wage boards rose to 19.

The various social security schemes in force for the benefit of workers in organised sectors made further progress during the year. At the end of 1966, the Employees' State Insurance Scheme had been extended to over 3·2 million employees spread over 273 centres. The total beneficiaries, including the insured as well as their family members numbered about 12·7 million. A tripartite committee set up to review the working of the scheme, submitted its report to Government and the recommendations were under consideration. The Coal Mines Provident Fund and Bonus Scheme Act, 1948 covered about 4·4 lakhs of workers and the Employees' Provident Fund Act covered 106 industries and about 4·9 million workers. In 54 of these industries, provident fund contributions are being made at the rate of 8 per cent of wages, including dearness allowance.

Emphasis was placed on better enforcement of labour legislation so as to ensure proper working conditions, with particular attention for safety in work places. A National Safety Council was set up during the year with a view to promote safety measures and education.

Labour Programmes

The main scheme under this head relates to training of craftsmen. Under this programme, training is provided to those between the ages of 15-25 years in engineering and other trades in the industrial training institutes located in different parts of the country. The period of training for engineering trades which was hitherto 18 months, followed by six months of in-plant training in the industry has been revised since August 1966 to one year in certain trades and two years in others. To improve the quality of training, various measures were adopted during the year.

According to the phased programme for expansion, 30,000 additional seats for training craftsmen were to be introduced during 1966-67. As against this, only 21,000 additional seats were introduced during the period under review, bringing the total training capacity to 1,34,650.

Thirteen new industries and 14 new trades were brought under the purview of the Apprenticeship Act during 1966-67, bringing the total number of industries specified and trades designated under the Act to 140 and 40 respectively. The number of apprentices undergoing training was 31,500 at the end of March, 1967. Training was being given in 29 trades in 2,135 establishments. In accordance with the decision to intensify as well as diversify the apprenticeship training programme, Study Groups composed of representatives of industries, workers' associations etc., were constituted to advise the Government on the requirements of trained workers in different industries, and standard of training etc. Intensive surveys were conducted to locate maximum facilities for the trainees.

At the end of March 1967, 4,280 seats had been introduced under the scheme for part-time classes for industrial workers and 2,060 workers were undergoing training. The emphasis was on development of theoretical knowledge of the workers, little attention being given to the development of practical skills. Hence a new programme covering both theoretical and practical training was worked out and it was proposed initially to try it out on a pilot basis along with the existing programme. The proposed scheme, it is hoped, will enable the workers to progress from one grade of skill to the next higher one.

The Directorate General of Employment and Training administered seven Central Training Institutes for the training of craft instructors. In these institutes, instructor trainees were trained in modern methods of instruction on shop floor as well as in the classroom. About 1,783 instructor trainees passed out from the institutes during 1966-67, bringing the total number of instructors who have completed their training so far to about 13,000.

The Central and Regional Labour Institutes continued their activities covering studies, advice and guidance. Work on the construction of hostels and staff quarters for these institutes was taken up during the year. The second batch of trainees received training at the two Mine Mechanisation Training Institutes. The Labour Bureau continued work on various research studies.

In the field of labour welfare, medical, housing, educational and recreational facilities continued to be provided by statutory welfare fund organisations set up for coal, mica and iron ore mines. In the State sector, emphasis continued to be laid on the strengthening of labour inspectorates with a view to streamlining the enforcement machinery.

For 1966-67, a provision of Rs. 17·20 crores was envisaged in the Annual Plan. The actual expenditure was reckoned at about Rs. 10·60 crores (Rs. 6·68 crores at the Centre, Rs. 3·76 crores in the States and Rs. 0·16 crore in the Union Territories).

CHAPTER XVI

REHABILITATION

During 1966-67, it was proposed to resettle about 26,000 refugee families from East Pakistan—3,750 agricultural families in Dandakaranya (including 750 tribal families), 14,000 agricultural families in different States, 1,800 families in non-agricultural occupations other than industry and about 5,000 families in industries. During the year under review only about one-third of the target could be achieved, the actual number of families resettled being 8,821.

In Dandakaranya area 2,302 families were resettled, including 122 tribal families against the target of 3,750 families (including 750 tribal families). The non-availability of the targeted area for reclamation was the main factor responsible for the slow progress of the programme. In the Dandakaranya project area, over 1·1 lakh acres were reclaimed upto March, 1967, two irrigation dams for irrigating an area of about 12000 acres were completed and work on two more dams with an irrigation potential of 62,000 acres was in progress. 632 miles of roads were constructed and 18 hospitals and dispensaries and 200 schools were set up.

The Rehabilitation Reclamation Organisation set up in 1964 to reclaim new areas for speedy resettlement of new migrants from East Pakistan, reclaimed about 18,547 acres in 1966-67, bringing the total area reclaimed till March, 1967 to about 55,000 acres.

As regards resettlement of agricultural families in other States, outside the Dandakaranya project area, 5,349 families were resettled against the target of 14,000 families. The shortfall in the target was mainly due to the droughts in different rehabilitation project areas in Andhra Pradesh, Madhya Pradesh and Maharashtra and the difficulties faced in equisition of land in U.P. and Assam. Against the target of resettlement of 1,800 refugee families, 1,170 were resettled in non-agricultural occupations other than industries. The slow progress of this programme was also due to difficulties in locating and acquiring suitable sites for construction of business premises and houses for migrant families. The programme for resettlement of 5,000 families in industries could not make any headway as the sanctioned schemes could not be fully implemented. Two textile schemes in the public sector and financial assistance to three textile schemes were sanctioned at an estimated cost of Rs. 105 lakhs with a view to providing employment to about 1,675 new migrants/repatriates from Burma. A private spinning mill is being set up at Hastinapur to give employment to about 600 persons. A special quota of 5,000 powerlooms was secured to provide employment to displaced persons and repatriates. 37 schemes for small scale industries with an employment potential for about 2,800 new immigrants were sanctioned.

Financial assistance was also provided to states for setting up of educational institutions and provision of medical facilities in the rehabilitation colonies and the villages set up for the new migrants.

Under the 'Special Areas Development' programme undertaken in Andamans and Nicobar Islands, 223 families of migrants from East Pakistan and repatriates from Burma were moved to the islands. During the year 1966-67, 300 acres of land were reclaimed, bringing the total reclaimed area to 1,500 acres. Steps were also taken to set up a rubber research-*cum*-development station in South Andamans and to undertake commercial plantation of rubber in Katchal and reclamation of mangrove forests. A team of scientists completed a comprehensive survey of the Great Nicobar Islands.

सत्यमेव जयते

CHAPTER XVII

PUBLIC COOPERATION

The Plan outlay for 1966-67 for the various Public Cooperation schemes and the expenditure incurred both in the Central and State sectors, are shown below:

(Rs. lakhs)

Scheme	1966-67	
	Outlay	Actuals
Lok Karya Kshetras(Rural)	22·00	10·07
Lok Karya Kshetras (Urban)	6·00	0·89
Planning Forums	6·00	3·87
Research, Training and PilotProjects and measures to strengthen voluntary organisations	16·26	5·80
National Consumer Service	1·40	0·24
Educational Work on Prohibition	8·00	3·50
Suppression of Immoral Traffic	1·18	0·95
Loan Assistance to Construction Service of Voluntary Organisations and Labour Cooperatives etc. .	28·00	. .
TOTAL	*88·84*	*25·32*

The progress in respect of the various schemes of Public Cooperation suffered a setback during the year. The setback was mainly in the case of programmes run by the Bharat Sevak Samaj, such as the Lok Karya Kshetras (rural), Lok Karya Kshetras (urban) and the National Consumer Service. It was due to the fact that the Bharat Sevak Samaj could not be given the full grants for the year on account of its inability to furnish consolidated accounts as required by the rules.

Lok Karya Kshetras.—The P.E.O. had completed during the year the evaluation of the Lok Karya Kshetras (rural). The Lok Karya Kshetra programme (urban) is under evaluation by an inter-departmental committee.

Planning Forums.—The planning forums had a useful record of activities during the period under review. The number of planning forums rose from 846 in 1964-65 to more than 1,000 in 1966-67 with membership exceeding one lakh students. The forums constructed or repaired roads by shramdan, conducted adult literacy classes, and in some cases supplied books and stationery free to poor students. Several forums also conducted socio-economic surveys in selected areas.

Research, Training and Pilot Projects.—The Central Institute of Research and Training in Public Cooperation which was established in February 1966 undertook certain research studies and brought out reports on various aspects of public cooperation.

Training of Rural Women.—This programme which is looked after by the Bharatiya Grameen Mahila Sangh has been making steady progress. During the year under review, the Sangh held camps and imparted training to 244 women. The training included firefighting, air raid precautions, rifle shooting, physical training, agriculture, animal husbandry, poultry, family planning, etc.

Educational Work on Prohibition.—In accordance with the recommendations of the Study Team on Prohibition, the All-India Prohibition Council was recognised as the Central Coordinating Body for non-official organisations working in this field. The Council received a grant-in-aid of Rs. one lakh to meet the expenditure on approved schemes during the year. The Central Prohibition Committee at a meeting held in September 1966 endorsed the recommendations of the Study Team on Prohibition for setting up propaganda and publicity for prohibition.

For educational work on prohibition, 44 Nashabandi Lok Karya Kshetras were functioning in the States/Union Territories. A sum of one lakh rupees was disbursed to the State Governments as grant-in-aid for this purpose during the year.

Suppression of Immoral Traffic.—The Association for Social and Moral Hygiene in India and its branches continued to receive Government support in the effort to mobilise public opinion against trafficking. The Association continued the programme of organising training-*cum*-seminars for the benefit of both officials and non-officials concerned with the programme of moral and social hygiene.

Loan Assistance.—During the year no loan assistance was given to voluntary organisations and to construction service of voluntary organisations and labour cooperatives. The whole scheme was reviewed and ultimately it was decided that such assistance in future would be given to labour cooperatives only.

Urban Community Development.—It was intended to start 20 pilot projects in urban community development in different parts of the country with a view to evolving a uniform pattern for the future development of the programme. During 1966-67 only 14 projects were in operation.

The total budget for a project which covers a population of 50,000 is Rs. 65,000, including Rs. 15,000 for local activities. The latter provision is subject to matching contribution by the local people. The programme is being implemented through Municipal Corporations/Municipalities who have to find 50 per cent of the resources. However, even this 50 per cent share of the cost has been somewhat of a deterrent to these bodies taking up this work with any enthusiasm.

Urban Community Development is a slow and difficult process emphasising citizen participation and self-help. It aims at a balanced social change and demonstrates awareness of the society to its needs and problems and its own share of responsibilities to solve them. Keeping in view the various administrative, procedural, financial and other problems and the enormous tasks set forth, the Urban Community Development scheme can be said to have had a good start.

सत्यमेव जयते

CHAPTER XVIII

OTHER PROGRAMMES

A number of miscellaneous programmes are included under this head: hill areas and border areas, statistics, plan publicity and information, State Capital projects, vital statistics, evaluation organisations, expansion of printing capacity, etc. A total provision of Rs. 30·21 crores was made for 'Other Programmes' during 1966-67. As against this, the anticipated expenditure is placed at Rs. 15.94 crores, including Rs. 11.91 crores in the States and Rs. 4:03 crores at the Centre and in the Union Territories. Some of the important programmes are reviewed in the following paragraphs.

Statistics

Outlays and actual expenditure for 1966-67 in the Central and State Sectors under the sub-head 'Statistics' are indicated in the table below:

(Rs. lakhs)

	Plan outlay	actuals
Centre	107·89	98·85
States and Union Territories	61·32	23·04
TOTAL	*169·21*	*121·89*

It will be noticed that while in the Central sector almost the entire allocation was spent, in the States and Union Territories the expenditure was about 40 per cent of the Plan outlay.

A computer centre was set up in Delhi under the Department of Statistics (Cabinet Secretariat) initially with two "Honeywell" computers. Six more such computers are later to be installed in the different regional centres in order to remove tabulation bottlenecks and to meet the increasing needs of Government Departments. In respect of the State Sector, the Planning Commission had adopted the policy that an integrated examination of statistical schemes in various sectors should be undertaken. Accordingly, all such schemes would first be coordinated by the State Statistical Bureaux and then examined together in an integrated manner by the Working Group on Statistics. This policy was to be implemented with effect from 1967-68. These developments besides being conducive to economies in expenditure are expected to result in expedition of work and better coordination in the field of statistical activities.

As regards States and Union Territories, nine 'core' schemes were formulated in 1966-67 and were to be given a high priority in the Plan from 1967-68 onwards with a view to filling up major gaps in statistics by following uniform standards. These schemes relate to the small scale industrial sector, survey of distributive trades, goods transport by road, State income estimation, housing statistics, mechanical tabulation, training of statistical personnel, statistics of resources, and municipal and district statistical hand-books. The flow of information has increased considerably during recent years but it is still lagging behind requirements both in regard to coverage and precision.

Plan Information and Publicity

During 1966-67 development programmes laying out information facilities and organising Plan information and publicity were continued both at the Centre and in the States. Due to constraint on resources, the outlays were generally the minimum required for the programmes in hand; there was little scope for taking up new schemes and/or for any significant expansions. The devaluation of the rupee and its implications on prices and import substitution were taken up for intensive coverage and discussion on the radio and through the printed word. Publicity support was also provided for the rabi and kharif campaigns and to drought relief measures in the affected areas. This was in addition to general publicity given to Plan schemes.

All India Radio has extended its programmes for the farming population, which now cover agricultural news, market rates, weather reports, informative talks and interviews and discussions with farmers and experts. Ten Farm and Home Broadcasting Units started specifically to serve the Intensive Agricultural Development Areas have launched their daily farm programmes and most of the material broadcast is field-based.

The subsidy scheme for the supply of community radio receivers to State Governments for installation in the rural areas continued to operate on a subdued scale on account of the lower outlays provided for the year. Steps were taken to improve the supplies of dry batteries and to convert the old valve sets so that they could work on electricity or transistors.

The total expenditure on Plan information and publicity by the Central and State Governments during 1966-67 was about Rs. 1·13 crores as against Rs. 1·72 crores during 1965-66.

State Evaluation Organisations

This scheme is administered by the Programme Evaluation Organisation (PEO). In order to facilitate setting up and/or strengthening the evaluation machinery in the States, initially 100 per cent Central assistance was provided. From 1966-67 Central assistance has been restricted to 50 per cent of the actual expenditure. The expenditure on the scheme during 1966-67 was around Rs. 8 lakhs as compared to Rs. 10.10 lakhs initially approved.

Evaluation Units and Evaluation Advisory Boards/Committees have been set up in most of the States and some of the Union Territories. These Units have taken up a number of useful studies. The PEO has given assistance for the proper staffing of the Units and also provided technical advice in evaluation methodology.

Expansion of Printing Capacity

Under the programme for expansion of printing capacity, a budget provision of Rs. 140 lakhs was made in 1966-67. The expenditure incurred was around Rs. 79 lakhs showing a substantial shortfall under buildings. The work of construction of buildings for re-siting of the Government of India Press, Calcutta at Satragachi was behind schedule mainly because of labour shortage. In the case of Government of India Press at New Delhi, the shortfall in expenditure was due to slow tempo of construction activity owing to difficulties of getting the necessary foreign exchange. This factor was also responsible for slow progress of another scheme relating to strengthening of the capacity of selected Government of India presses.

Developmens of Hill Areas and Border Areas

The need for accelerated development of hill and border areas was accepted by the National Development Council in 1965. The Annual Plans for 1966-67 of concerned States included certain programmes/schemes for quickening the pace of development in hill and border areas. For Assam hill areas, as against an outlay of Rs. 6.8 crores, the actual expenditure came to about Rs. 4.9 crores. In the 1966-67 Plan, stress was laid on development of agriculture (including horticulture), rural electrification, construction of roads and provisions or amenities such as education, medical, public health and water supply. The provisions for education, roads and water supply schemes, however, could not be fully utilised on account of disturbed conditions in some parts of the hill region. In the Nilgiris district of Madras, work was started on the Mandi-type project for the integrated development of agriculture and animal husbandry. In the Darjeeling district in West Bengal, soil conservation measures were taken up. The development plan of Uttarkhand Division of Uttar Pradesh envisaged an outlay of about Rs. 4.2 crores mainly for development of agriculture (including horticulture and animal husbandry), construction of roads, education, health and water supply programmes. Development work in Ladakh was also continued. An expenditure of about Rs. 56 lakhs was incurred mainly on construction of roads, expansion of educational, medical and health facilities and provision of water supply.

सत्यमेव जयते

APPENDICES

सत्यमेव जयते

APPENDIX 2.1

Plan Expenditure, 1966-67 States

(Rs. lakhs)

States	Approved Outlay	Actual Expenditure	Percentage of Column (3) to (2)
1	2	3	4
Andhra Pradesh	9,050	9,267	102·4
Assam	2,985	2,719	91·1
Bihar	7,853	7,885	100·4
Gujarat	5,230	5,733	109·6
Punjab	5,928	3,122	85·6
Haryana		1,950	
Jammu and Kashmir	1,904	1,738	91·3
Kerala	4,180	4,077	97·5
Madhya Pradesh	5,380	5,618	104·4
Madras	7,957	8,063	101·3
Maharashtra	12,309	11,546	93·8
Mysore	5,307	5,216	98·3
Orissa	5,109	4,710	92·2
Rajasthan	4,967	4,930	99·3
Uttar Pradesh	14,844	14,883	100·3
West Bengal	6,329	5,697	90·0
Nagaland	5,11	4,82	94·3
TOTAL	*99,843*	*97,636*	*97·8*

APPENDIX 2·2

Plan Expenditure, 1966-67: Union Territories

(Rs. lakhs)

Union Territory	Approved Outlay	Actual Expenditure	Percentage of Column (3) to (2)
1	2	3	4
Andaman and Nicobar Islands	158·0	106·0	67·1
Chandigarh	98·0	119·8	122·2
Dadra and Nagar Haveli	53·4	29·1	54·5
Delhi	2,410·0	2,159·0	89·6
Goa, Daman and Diu	789·0	547·0	69·3
Himachal Pradesh	900·0	772·0	85·8
Laccadive, Amindivi and Minicoy Islands	62·0	44·6	71·9
Manipur [1]	350·0	209·0	59·7
N.E.F.A.	267·0	202·0	75·7
Pondicherry	214·0	142·0	66·4
Tripura	450·0	379·0	84·2
TOTAL	*5,751·4*	*4,609·5*	*80·1*

सत्यमेव जयते

APPENDIX 2·3

Plan Expenditure (Actuals) 1964-65 to 1966-67: (Centre, States and Union Territories

Heads of Development	1964-65				1965-66				1966-67			
	Centre	States	Union Territories	Total	Centre	States	Union Territories	Total	Centre	States	Union Territories	Total
1	2	3	4	5	6	7	8	9	10	11	12	13
Agricultural Production	694	4,256	187	5,137	879	5,672	161	6,712	1,370	4,707	138	6,215
Minor Irrigation	26	6,578	22	6,626	5	8,491	48	8,544	217	10,401	39	10,657
Soil Conservation	279	1,598	66	1,943	316	2,265	39	2,620	380	2,604	33	3,017
Area Programmes for Irrigation (Ayacut Development)	..	44	..	44	..	107	..	107	120	353	..	473
Animal Husbandry	97	857	54	1,008	128	1,244	49	1,421	200	999	39	1,907
Dairying and Milk Supply	76	647	9	732	76	747	9	832		663	6	
Forests	121	887	108	1,116	172	1,111	105	1,388	282	918	108	1,308
Fisheries	52	459	47	558	95	598	31	724	293	707	37	1,037
Warehousing and Marketing	300	89	8	397	621	123	12	756	698	72	3	773
I. Agricultural Programmes	*1,645*	*15,415*	*501*	*17,561*	*2,292*	*20,358*	*454*	*23,104*	*3,560*	*21,424*	*403*	*25,387*
Cooperation	257	1,432	59	1,748	257	1,344	61	1,662	2,271	1,036	45	3,352
Community Development	49	5,446	148	5,643	43	5,568	123	5,734	34	3,730	134	3,898
Panchayats	..	240	17	257	..	225	18	243	..	90	12	102
II. Cooperation and Community Development	*306*	*7,118*	*224*	*7,648*	*300*	*7,137*	*202*	*7,639*	*2,305*	*4,856*	*191*	*7,352*

1	2	3	4	5	6	7	8	9	10	11	12	13
Irrigation	102	12,929	38	14,912	344	15,222	148	17,459	111	12,886	7	13,004
Flood Control	..	1,843			..	1,745			..	1,258	137	1,395
Power	2,047	27,781	775	30,603	4,346	31,221	726	36,293	7,037	32,022	1,306	40,365
III. Irrigation and Power	*2,149*	*42,553*	*813*	*45,515*	*4,690*	*48,188*	*874*	*53,752*	*7,148*	*46,166*	*1,450*	*54,764*
Large and Medium Industries	21,794*	2,004	6	23,804	32,094	3,276	24	35,394	34,793	2,442	31	37,266
Mineral Development	13,772	245	..	14,017	13,480	264	..	13,744	13,786	392	1	14,179
Village and Small Industries (including RIPC)	2,472	2,206	121	4,799	2,837	2,368	103	5,308	2,724	1,570	82	4,376
IV. Industries and Mining	*38,038*	*4,455*	*127*	*42,620*	*48,411*	*5,908*	*127*	*54,446*	*51,303*	*4,404*	*114*	*55,821*
Railways	31,424	..	..	31,424	28,474	..	..	28,474	19,868	..	..	19,868
Roads	3,863	5,737	656	10,256	4,735	5,897	622	11,254	5,164	5,189	779	11,132
Road Transport	..	606	127	733	25	626	141	792	15	1,522	133	1,670
Tourism	29	48	14	91	50	75	13	138	28	88	11	127
Ports and Harbours	1,691	103	20	1,814	1,307	128	41	1,476	1,261	118	19	1,398
Shipping	1,280	..	..	1,280	906	..	..	906	63	..	..	63
Posts and Telegraphs	2,578	..	..	2,578	3,015	..	..	3,015	3,881	..	..	3,881
Civil Aviation Air Corporations	1,237	..	..	1,237	765	..	..	765	2,047	..	..	2,047

Broadcasting	152	..	..	152	210	..	..	210	194	..	..	194
Inland Water Transport and Other Transport	91	746	10	847	149	199	16	364	82	263	40	385
Lighthouses	50	..	..	50	59	..	..	59	63	..	..	63
Other Communications	158	..	..	158	20	..	..	20	105	..	..	105
Farakka Barrage			..	..	..	..	..	..	1435	..	..	1,435
V. Transport and Communications	*42,553*	*7,240*	*827*	*50,620*	*39,715*	*6,925*	*833*	*47,473*	*34,206*	*7,180*	*982*	*42,368*
General Education and Cultural Programmes	2,160	8,662	718	11,540	2,835	10,469	1,062	14,366	2,403	3,448	347	6,198
Technical Education	1,452	1,279	66	2,797	1,710	1,244	60	3,014	1,540	915	58	2,513
Scientific Research	1,776	..	..	1,776	2,391	..	..	2,391	1,465	..	..	1,465
Health and Family Planning	861	6,106	569	7,574	1,484	6,951	1,261	9,746	2,053	3,216	175	5,444
Water Supply	38				50				35	2,634	343	3,012
Housing and Urban Development	1,222	1,321	477	3,020	1,513	1,723	415	3,651	959	926	282	2,167
Welfare of Backward Classes	957	1,366	80	2,403	1,205	1,497	99	2,801	1,470	797	57	2,324
Social Welfare	265	116			323	204	33	580	218	98	21	337
Public Cooperation	20		22	423	20				18	6	1	25
Craftsmen Training and Labour Welfare	905	516	50	1,471	1,121	610	55	1,786	668	376	16	1,060
Rehabilitation	945	..	..	945	1,145	..	..	1,145	1,142	..	..	1,142
Rural Works	530	..	..	530	843	..	..	843	750	..	..	750
VI. Social Services	*11,131*	*19,366*	*1,982*	*32,479*	*14,640*	*22,698*	*2,985*	*40,323*	*12,721*	*12,416*		*26,437*
VII. Other Programmes	*280*	*1,353*	*106*	*1,739*	*456*	*1,530*	*418*	*2,404*	*234*	*1,191*	*169*	*1,594*
GRAND TOTAL	*96,102*	*97,500*	*4,580*	*1,98,182*	*1,10,504*	*1,12,744*	*5,893*	*2,29,141*	*1,11,477*	*97,637*	*4,609*	*2,13,723*

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* These figures are si onal.

APPENDIX 2·4

Selected Physical Targets and Achievements, 1966-67

Item	Unit	1965-66 Achievement	1966-67 Target	1966-67 Achievement
1	2	3	4	5
Agriculture				
Foodgrains production	million tonnes	72·00	97·00@	75·00
Raw cotton production	million bales of 180 kgs. each	·71	6·30	4·93
Sugarcane production (gur)	million tonnes	11·83	12·69	9·49
Oilseeds production	do.	6·10	9·89	6·49
Raw jute production	million bales of 180 kgs. each	4·49	6·92	5·35
Fertilisers consumed—				
Nitrogenous (N)	thousand tonnes	600	1,008	840
Phosphatic (P_2O_5)	do.	132	300	250
Potassic (K_2O)	do.	90	140	115
Area under Improved Seeds :				
(foodgrins) of which :	million acres	*112·00*	*137·40*	*113·20*
High yielding varieties	do.	[illegible]	7·00	4·66
Plant protection	do.	41	63	60
Minor irrigation* (potential additional)	do.	3·8	3·4	3·4
Irrigation				
Potential at outlet	million acres (gross)	17·5	20·0	18·9
Utilisation	do.	13·5	15·5	15·2
Power				
Installed capacity (cumulative)	million k. w.	10·17	12·17	11·44
Generated	million kwh.	36,825	No target fixed	40,273
Villages electrified	numbers	47,705	do.	55,259
Pumps electrified	thousand numbers	514	608	651

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*Includes new irrigation, stabilisation of old irrigation area benefited by drainage, flood and sea water protection schemes, etc.

@Potential.

सत्यमेव जयते

APPENDIX 2.4—*contd.*

1	2	3	4	5
Industry and Minerals				
Production of :				
Pig iron for sale . . .	million tonnes	1·2	1·3	1·0
Steel ingots . . .	do.	6·5	7·0	6·6
Metallurgical and other heavy mechanical equipment	thousand tonnes	11·0	15·0	14·3
Machine tools (organised sector, excluding accessories)	Rs. crores	22·6	35·0	26·4
Industrial machinery** .	do.	41·98	63·0	38·6
Coal and other mining machinery, including drilling equipment	thousand tonnes	5·1	15·0	7·0
Commercial vehicles .	thousand numbers	35·3	40·0	35·6
Power driven pumps .	do.	244·0	180·0	311·0
Agricultural tractors . .	do	6·3	8·0	8·8
Sulphuric acid . . .	thousand tonnes	662·0	1,000·0	702·0
Cement	million tonnes	10·8	12·5	11·1
Cotton textiles (mill-made)	million metres	4,401	4,800	4,202
Jute manufactures . .	thousand tonnes	1,302	1,350	1,117
Sugar	lakh tonnes	35·0	34·0	21·5
Fertilisers . . .				
Nitrogenous . . .	thusoand tonnes of N	232·0	400·0	293·0
Phosphatic . . .	thousand tonnes of P_2O_5	122·0	200·0	144·0
Coal	million tonnes	70·3	72·0	70·9
Refined petroleum products.	do.	9·4	16·0(a)	11·9
Village and Small Industries				
Handloom, powerloom and khadi cloth	million metres	3,124	3,500	3,180
Industrial estates (completed)	numbers	263	350	336

**This comprises of cotton textiles, jute, sugar, paper and plup and cement machinery.

(a) Capacity Target.

APPENDIX 2·4—*concld.*

1	2	3	4	5
Transport and Communications :				
Railway Freight : Traffic originating . .	million tonnes	203·1	215·1	201·6
Procurement of railway rolling stock (addl.)				
Locomotives . .	numbers	371	331	292
Wagons in terms of 4-wheelers	do.	36,000	26,210	21,207
Coaches	do.	1,600	1,387	1,264
Shipping	lakh GRT	15·40	no target fixed	18·66
Major ports : traffic handled	million tonnes	50·2	do.	54·9
Telephone connections (addl.)	lakh numbers	1 lakh	1 lakh	75,086
Education				
Additional enrolment in schools (age-group 6-17 years) . .	lakh numbers	48·1	43·0	35·2
Technical education : Admission capacity				
Diploma	numbers	48,043	49,814	48,254
Degree level	do.	24,695	25,690	25,006
Health				
Hospital beds	thousand numbers	240	255	247†
Doctors—practising . . .	do.	86	89	90
Primary health centres . .	numbers	4668	5189	4794
Housing				
Houses/tenements constructed (addl.)	thousand numbers	56·1	33·3	23·5

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†Rough estimate.

सत्यमेव जयते

APPENDIX 2·5

Financing of Plan Outlay at the Centre and in the States, 1966-67

(Rs. Crores)

	Original estimates*			Revised estimates** prepared in June 1967			Actuals		
	Centre	States	Total	Centre†	States	Total	Centre†	States	Total
1	2	3	4	5	6	7	8	9	10
Plan Outlay	*1,150*	*932*	*2,082*	*1,212*	*1,009*	*2,221*	*1,161*	*976*	*2,137*
Financing of Plan Outlay									
1. **Domestic Budgetary Resources**									
Balance from current revenues at 1965-66 rates of taxation (*d*) .	314	120	434	(—)13	58†	45	101	93+	194
Contribution of railways at 1965-66 **rates** of fares and freight charges	34	..	34	(—)1	..	(—)1	12	..	12
Surplus of other public enterprises, exclusive of yield from measures adopted for raising additional resources for the Plan .	164	54	218	100	44	144	98	53	151

(*) As indicated in the Planning Commission Document entitled " Annual Plan, 1966-67 " published in March, 1966.

(**) Revised Estimates indicated in the Centre's budget papers and latest estimates furnished by State Governments during May—June, 1967.

(†) Including Union Territories.

(*d*) Inclusive of estimated yield from post-budget measures adopted by the Centre and the States in 1965-66.

1	2	3	4	5	6	7	8	9	10
Additional taxation, including measures to increase the surpluses of public enterprises in 1966-67 .									
(*i*) By Centre (including railways)	119	21(*f*)	140	112	27(*f*)	139	112	25(*f*)	137
(*ii*) By States	..	51	51	..	18(*e*)	18	..	16(*e*)	16
Loans from public (net) .	88	121	209	90	114	204	89	115	204
Small savings	40	95	135	40	85	125	39	79	118
Gold bonds, prize bonds and compulsory deposits .	1	..	1	2	..	2	2	..	2
Annuity deposits	35	..	35	22	..	22	28	..	28
Unfunded debt	59	29	88	58(*g*)	27	85	55(*g*)	28	83
Miscellaneous capital receipts (net)	202	(—)91	111	282	(—)79	203	214	1	215
Further resources to be raised by States	..	34	34	..	..	..	..	..	..
TOTAL—1 .	*1,056*	*434*	*1,490*	*692*	*294*	*986*	*750*	*410*	*1,160*
2. Budgetary Receipts corresponding to External Assistance									
(*a*) Other than those under PL 480 .	349	..	349	572	..	572	441 (*h*)	..	441 (*h*)
(*b*) PL 480 aid	229	..	229	323	..	323	347	..	347
TOTAL—2	*578*	..	*578*	*895*	..	*895*	*788(h)*	..	*788(h)*

3. Assistance for State Plants .	(—)509	509	..	(—)617(*i*)	617(*i*)	..	(—)568	568	..
4. *Ad hoc* Loans from Centre to States	..	..	..	(—)108	108	..	(—)108	108	..
5. Total Budgetary Resources .	1,125	943	2,068	862	1,019	1,881	862	1,086	1,948
6. Deficit financing . . .	25	(—)11	14	350	(—)10	340	299	(—)110	189
7. Aggregate Resources (Total of 1 to 6)	1,150	932	2,082	1,212	1,009	2,221	1,161	976	2,137

(*e*) In the Revised Estimates proposed in June 1967, the estimated loss of about Rs. 2 crores for 1966-67 on account of land revenue concessions was allowed for in estimating the balance from current revenues at 1965-66 rates of taxation whereas in the Table above it has been netted under additional taxation.

(*f*) Including yield from the revision of Inter-State sales tax but excluding receipts from changes in sales tax on "declared goods" which are included under additional taxation by States.

(*g*) Without taking into account the transfer of about Rs. 6 crores made from State Provident Funds to the Railway Pension Fund

(*h*) Inclusive of an investment of about Rs. 2 crores by foreign participants in Government enterprises.

(*i*) Later scrutiny indicated that a part of this assistance was towards the financing of a few development schemes, like water supply connected with Central projects. Besides, the revised estimates included lump provision for meeting the increased costs of a few State projects due to devaluation. Exclusive of these amounts, the Central assistance for State Plans worked out at only Rs. 589 crores.

APPENDIX 4·1

Plan Expenditure on Major and Medium Irrigation and Flood Control Schemes 1966-67

(Rs. crores)

Name of State	Outlay for 1966-67			
	Irrigation		Flood Control*	
	Outlay Approved	Actuals	Outlay Approved	Actuals
1	2	3	4	5
Andhra Pradesh	21·10	22·56	0·15	0.15
Assam	1·05	1·12	3·50	3·24
Bihar	16·00	19·99	0·71	1·82
Gujarat	10·28	10·07	0·10	0·17
Haryana	@	1·34	@	0·66
Jammu and Kashmir	0·25	0·08	1·30	1·11
Kerala	2·76	3·08	0·90	0·88
Madhya Pradesh	7·01	6·49	0·03	0·03
Madras	5·65	4·11	0·05	..
Maharashtra	16·34	16·10	0·02	0·01
Mysore	5·00	6·23	..	..
Orissa	7·87	7·39	0·50	0·44
Punjab	4·95@@	1·95	1·50@@	1·70
Rajasthan	10·95	11·03	1·06	1·20
Uttar Pradesh	14·50	14·21	1·00	1·02
West Bengal	4·30	3·13	0·50	0·90
Nagaland	..	..	..	..
Total—States	128·01	128·88	11·32	13·33
—Centre	1·30	1·11	..	..
—Union Territories	0·30	0·07	1·16	1·37
GRAND TOTAL	*129·51*	*130·06*	*12·48*	*14·70*

*Includes drainage, anti-waterlogging and anti-sea erosion.

@ Shown under Punjab

@@ Includes for Haryana also.

APPENDIX 4.2

Irrigation Potential Created and Utilisation at the end of the Third Plan and during 1966-67

('000 acres gross)

States	To end of Third Plan (1965-66)(actuals)		Additional benefits during 1966-67				To the end of 1966-67 (actuals)	
	Potential	Utilisation	Targets		Actuals		Potential	Utilisation
			Potential	Utilisation	Potential	Utilisation		
1	2	3	4	5	6	7	8	9
Andhra Pradesh	1,545	690	641	340	161	41	1,706	731
Assam	..	..	..	..	..	..	..	..
Bihar	1,565	1,273	605	445	400	423	1,965	1,696
Gujarat	842	475	136	72	109	61	951	536
Haryana	2,135	2,020	@	@	19	114	2,154	2,134
Jammu and Kashmir	35	18	6	3	11	12	46	30
Kerala	387	387	47	47	39	39	426	426
Madhya Pradesh	587	137	121	60	133	118	720	255
Madras	673	646	20	14	36	29	709	675
Maharashtra	490	303	135	76	100	43	590	346
Mysore	903	688	100	87	86	66	989	754
Orissa	1,221	1,021	286	283	175	85	1,396	1,106
Punjab	1,681	1,618	..	43	..	23	1,681	1,641
Rajasthan	1,585	1,000	331	307	33	181	1,618	1,181
Uttar Pradesh	2,366	1,948	48	115	76	302	2,442	2,250
West Bengal	1,488	1,311	42	100	24	81	1,512	1,392
Nagaland	..	..	..	..	..	..	..	..
TOTAL	*17,503*	*13,535*	*2,518*	*1,992*	*1,402*	*1,618*	*18,905*	*15,153*

@Shown under Punjab.

APPENDIX 5.1

Plan Expenditure on Power Programmes, 1966-67

(Rs. crores)

	Approved Plan Outlay	Actual Expenditure
I—*States*		
Andhra Pradesh	32·00	39·36
Assam	5·25	5·90
Bihar	22·75	22·83
Gujarat	9·15	12·88
Jammu and Kashmir	4·01	4·68
Kerala	15·00	14·55
Madhya Pradesh	13·50	18·37
Madras	23·70	28·20
Maharashtra	29·42	32·00
Mysore	14·21	16·94
Orissa	12·00	11·52
Punjab	25·50	16·53
Haryana		10·26
Rajasthan	11·97	16·79
Uttar Pradesh	46·17	58·21
West Bengal	10·32	10·82
Nagaland	0·55	0·57
TOTAL—STATES	*257·50*	*320·41*
II—*Union Territories*		
Andaman and Nicobar Islands	0.09	0·05
Chandigarh	..	0·29
Dadra and Nagar Haveli	0·02	0·02
Delhi	9·00	9·83
Goa, Daman and Diu	1·45	0·93
Himachal Pradesh	0·92	1·22
Manipur	0·22	0·16
N.E.F.A.	0·15	0·17
Pondicherry	0·20	0·23
Tripura	0·56	0·14
Laccadive, Minicoy and Amindivi Islands	0·04	0·01
TOTAL—UNION TERRITORIES	*12·65*	*13·05*
III—*Centre*		
Ministry of Irrigation and Power	1·29	0·89
D.V.C. (Centre's share)	8·55	8·51
Badarpur	0·50	0·29
Neyveli	6·31	11·72
Atomic Power Station	35·57	48·96
TOTAL—CENTRE	*52·22*	*70·37*
GRAND TOTAL	*340·37*	*403·83*

APPENDIX 5·2

Targets and Achievements for Additional Power Generating Capacity 1966-67

State/Project	Additional Generating Capacity (MW)		Main causes of shortfall
	Target	Achievement	
1	2	3	4
UTILITIES			
Andhra Pradesh			
1. Kothagudem—I	120	120	
2. Upper Silelu	60	..	Delay due to impounding of equipment in Pakistan.
Bihar			
3. Pathratu	100	50	Delay due to a change of erection contractors.
Gujarat			
4. Kandla	10	10	
Jammu and Kashmir			
5. Kalakote	7·5	..	Equipment impounded in Pakistan
Kerala			
6. Sholayar	36	18	Delay in delivery of plant and equipment.
7. Sabarigiri	200	150	Stampings received from suppliers rusted.
Madhya Pradesh			
8. Korba extension	100	50	Delay in arrival of erector from USSR and long time taken in release of unmanifested cargo from Calcutta port.
Madhya Pradesh/Rajasthan			
9. Gandhisagar	23	23	
10. Satpura	62·5	..	Delay in delivery of piping and valves.
Madras			
11. Parambikulam	30	30	
12. Mettur tunnel	50	50	
13. Neyveli	100	..	Delay in supply of transformer testing equipment from USSR.
Maharashtra			
14. Koyna II	225	150	Slight delay in erection.
Mysore			
15. Sharavathy	89·1	..	Delay in erection of penstocks.

APPENDIX 5.2—concld.

1	2	3	4
Orissa			
16. Talcher	62·5	..	Delay due to impounding of equipment in Pakistan.
Punjab/Haryana/Rajasthan			
17. Bhakra Right Bank .	240	240	
Uttar Pradesh			
18. Yamuna I	11	11	
19. Obra	50	..	Delay in erection.
20. Kanpur	32	..	Delay in arrival of instruments and the specialist from West Germany.
West Bengal			
21. Jaldhaka	18	..	Delay in civil works.
22. Bandel	82·5	82·5	
23. Durgapur	75	75	
D.V.C.			
24. Durgapur	140	140	
Delhi			
25. Delhi.	15	15	
26. Delhi 'C' Station .	62·5	..	Delay in supply of equipment from the U.S.A.
NON-UTILISATION			
27. Rourkela Steel Plant .	..	50	
TOTAL . . .	*2,001·6*	*1,264·5*	

सत्यमेव जयते

APPENDIX 5·3

Installed Capacity and Maximum Demand for Power met in 1965-66 and 1966-67

(MW)

	1965-66 (Actuals)		1966-67 (Actuals)	
	Installed Capacity	Maximum Demand	Installed Capacity	Maximum Demand
Andhra Pradesh	307	258	427	290
Assam	161	31	161	40
Bihar	97	196	147	282
Gujarat	666	371	676	426
Jammu and Kashmir	31	35	31	52
Kerala	197	188	365	211
Madhya Pradesh	315	214	377	217
Madras	1,301	691	1,381	828
Maharashtra	1,305	880	1,455	960
Mysore	461	296	461	337
Orissa	318	163	318	186
Punjab	715	375	919	355
Haryana		150		131
Rajasthan	260	86	307	90
Uttar Pradesh	914	575	925	604
West Bengal	1,050	600	1,207	716
D.V.C.	804	200	944	248
TOTAL—STATES	*8,902*		*10,101*	
Delhi	112	129	127	158*
Other Union Territories	13	..	13	..
TOTAL—UNION TERRITORIES	*125*	..	*140*	..
Self-generating Industrial Establishments	1,146	..	1,196	..
GRAND TOTAL	*10,173*	..	*11,437*	..

Note: Share of States from Joint projects are shown in the respective States.

*Additional power being received from Punjab.

सत्यमेव जयते

APPENDIX 5.4

Progress of Rural Electrification

States	Total No. of Towns & Villages according to 1961 Census	No. of towns and villages electrified		No. of pumps energised			Outlay on Rural Electrification (Rs. crores)		
		At the end of III Plan	During 1966-67	At the end of III Plan	1966-67		As per Plan	Additional	Actuals
					Target	Actuals			
Andhra Pradesh	27,307	4,197	494	57,225	10,000	10,630	3·00	1·50	4·41
Assam	25,762	142	10	..	270	15	0·90	..	1·47
Bihar	67,818	3,710	1819	10,660	6,000	14,012	2·75	6·00	5·77
Gujarat	18,765	1,846	578	17,154	5,100	11,301	2·70	1·50	5·33
Jammu and Kashmir	6,602	557	126	122	..	11	0·59	..	0·95
Kerala	(4,637)* 1,665	1,849*	367	6,957	2,000	1,538	0·60	..	0·60
Madhya Pradesh	70,633	1,320	186	7,309	2,500	3,569	0·75	1·00	3·01
Madras	14,463	7,313	432	2,56,594	20,000	32,298	6·00	1·50	8·26
Maharashtra	36,117	4,499	1,715	44,896	15,000	20,675	7·50	..	11·00
Mysore	26,608	4,274	750	42,396	10,000	12,325	3·00	1·50	4·93
Orissa	46,528	596	87	834	800	59	1·10	..	1·10
Punjab	12,056	5,356*	77	25,296	6,000	8,053	3·00	1·00	3·97
Haryana	6,730			15,640		4,433		1·00	1·00
Rajasthan	32,386	1,263	557	6,962	8,000	4,003	2·50	0·50	4·01
Uttar Pradesh	1,12,891	10,003*	120*	17,591	7,500	12,919	9·00	6·00	15·56
West Bengal	38,638	1,249	281	437	300	369	1·00	1·50	1·00
Nagaland	817	8	5	..	..	..	..	..	0·03
TOTAL—STATES	*545,786*	*48,182*	*7,273*	*5,10,073*	*93,470*	*1,36,210*	*44·39*	*23·00*	*72·40*
UNION TERRITORIES	*23,791*	*2,056*	*297*	*4158*	*530*	*1,066*			*1·00*
GRAND—TOTAL	*5,69,577*	*50,238*	*7,570*	*5,14,231*	*94,000*	*1,37,276*	*44.39*	*23·00*	*73·40*

*According to the 1951 Census.

APPENDIX 6·1

Index Numbers of Industrial Production

(Base: 1956=100)

	Weights	1951	1955	1960	1964*	1965*	1966*
General Index . .	100·00	74	92	130	177	188	193
Mining and quarrying .	7·47	87	97	137	169	184	190
Food manufacturing .	13·99	80	93	117	135	144	148
Cigarettes	1·49	82	87	141	176	206	223
Cotton textiles . .	32·10	80	95	103	123	123	120
Woollen textiles . .	1·10	71	82	101	128	110	129
Silk and Synthetic fibres	2·94	65	77	135	211	218	215
Jute manufactures .	5·62	79	94	99	121	126	105
Footwear (leather)	0·28	92	86	144	212	246	266
Paper and paper products	1·39	67	96	173	238	255	282
Rubber products .	3·04	75	92	141	198	218	218
Chemicals and chemical products . . .	3·58	73	96	148	222	253	262
Petroleum products .	3·79	6	78	148	217	231	286
Non-metallic mineral products . . .	2·47	64	88	168	214	233	230
Basic metals . .	9·25	84	97	183	291	299	318
Metal products .	0·99	54	97	106	219	240	222
Machinery except electrical . .	1·10	45	83	237	415	490	530
Electrical machinery, apparatus and appliances	2·41	44	72	176	276	313	341
Transport equipment .	2·86	46	73	119	191	208	188
Electricity . . .	3·68	60	88	171	297	327	355

*Provisional

APPENDIX 6·2

Industry and Minerals : Capacity and Production achieved during 1965-66 and 1966-67

Industry	Unit	1965-66 (Actuals)		1966-67 (Target)		1966-67 (Actuals)	
		Cap.	Prod.	Cap.	Prod.	Cap.	Prod.
1	2	3	4	5	6	7	8
Steel and Non-ferrous Metals							
Iron and Steel							
Steel ingots	million tonnes	6·7	6·5	8·9	7·0	7·6	6·6
Finished steel	do.	5·1	4·5	6·7	5·2	5·5	4·4
Pig Iron for sale	do.	1·2	1·2	1·5	1·3	1·2	1·0
Alloy tool and stainless steel . .	'000 tonnes	40·0	35·0	50·0	35·0	50·0	40·0*
Aluminium	do.	88·5	62·1	113·0	100·0	93·0	74·2
Engineering Industries							
Steel castings	do.	128·4	57·0	170·0	80·0	128·4	53·0
Steel forgings	do.	71·0	68·8	140·0	75·0	79·7	51·9
Ball and roller bearings . . .	million numbers	11·56	8·3	12·0	12·0	11·6	9·2
Industrial machinery							
Metallurgical and other. heavy mechanical equipment	'000 tonnes	30·0	11·0	30·0	15·0	65·0	14·3

Coal and other mining machinery including drilling equipment	'000 tonnes	30·0	5·1	45·0	15·0	45·0	7·0
Cotton textile machinery	Rs. crores	40·0	24·2	40·0	35·0	40·0	18·0
Jute machinery	do.	5·0	3·5	5·0	4·5	5·0	2·5
Paper machinery	do.	6·1	1·7	7·3	3·5	6·4	2·3
Sugar machinery	do.	12·4	7·7	17·5	12·0	14·6	9·4
Cement machinery	do.	19·0	4·9	17·8	8·0	23·0	6·4
Machine tools (excluding accessories)	Rs. crores	30·0	22·6	35·0	35·0	32·4	26·4
Commercial vehicles	'000 numbers	44·0	35·3	44·0	40·0	56·4	35·6
Agricultural machinery							
Power driven pumps	do.	188·5	244·0	200·0	180·0	188·5	311·0
Diesel engines (stationary)	do.	100·0	93·1	150·0	100·0	74·0	112·2
Agricultural tractors	do.	6·7	6·3	15·0	8·0	11·0	8·8
Electrical machinery Turbines—steam	million k.W.	..	..	0·6	0·2	0·6	0·01
Turbines—hydro	do.	..	..	0·5	0·2	0·5	0·03
Generators—thermal	do.	..	..	0·6	0·2	0·6	0·01
Generators—hydro	do.	..	..	0·5	0·2	0·5	0·03
Transformers 33 KV or below	million KVA	3·0	3·0	4·0	4·0	3·0	3·0
Transformers 66 KV or above	do.	4·0	1·2	4·0	2·0	4·0	2·3

*Estimated.

APPENDIX 6·2—contd.

1	2	3	4	5	6	7	8
Sewing machines	'000 numbers	442	430	650	600	470	400
Bicycles	do.	1,679	1,574	2,000	1,300	1,679	1,719
Typewriters	do.	66·0	41·1	100·0	90·0	66·0	45·3
Chemicals and Allied Industries							
Fertilisers							
Nitrogenous (in terms of N) . .	'000 tonnes	585·0	232·0	666·5	400·0	585·0	293·0
Phosphatic (in terms of P_2O_5) .	do.	237·0	122·0	400·0	200·0	237·0	144·0
Heavy chemicals:							
Caustic soda	do.	270·0	218·0	400·0	300·0	296·0	233·0
Soda ash	do.	362·8	331·0	430·0	360·0	363·0	348·0
Sulphuric acid	do.	1,181·8	662·0	1,400·0	1,000·0	1,353·0	702·0
Dyestuffs	do.	9·9	6·7	12·0	10·5	10·7	6·8
Paper and paper board . . .	do.	669·0	558·0	700·0	580·0	711·2	580·0
Newsprint	do.	30·0	30·3	30·0	30·0	30·0	29·5
Cement	million tonnes	12·0	10·8	14·8	12·5	12·2	11·1
Automobile tyres	million numbers	3·3	2·3	3·3	2·8	3·3	2·4
Jute manufactures	'000 tonnes	1,219	1,302	1,219	1,350	1,219	1,117

Cotton textiles							
Yarn	**million kgs.**	15·49(*a*)	907·0	16·90(*a*)	1000	16·70(*a*)	902
Cloth	**million metres**	2·05(*b*)	4,401	2·15(*b*)	4,800	2·08(*b*)	4,202
Woollen cloth	do.	43·6	9·2	43·6	13·7	43·6	9·5
Sugar	lakh tonnes	32·2	35·0	33·0	34·0	33·8	21·5

(*a*) **Mill spindles.**

(*b*) **Lakh** looms.

APPENDIX 6·3

Plan Expenditure on Central Industrial and Mineral Projects 1966-67

(Rs. crores)

Scheme	1966-67 Plan Outlay	1966-67 Actual Expenditure
Ministry of Industrial Development and Company Affairs.		
Heavy Electricals, Bhopal	16·09	13·48
Bharat Heavy Electricals (Hardwar, Tiruchi, and Hyderabad)	32·00	37·88
Heavy Engineering Corporation (Heavy Machine Building, Foundry Forge and Heavy Machine Tools).	37·11	39·65
Mining and Allied Machinery Corporation	4·40	37·25
Hindustan Machine Tools* (Bangalore, Pinjore, Kalamassary and Hyderabad)	4·00	2·02
Pumps and Compressors Project	0·50	0·41
Triveni Structurals Ltd.	1·00	0·78
Foundry Forge Project, Wardha	0·84	0·23
Fabrication Shop for Fertiliser and Chemical Equipment	0·01	..
Bharat Heavy Plate and Vessels Project	0·64	0·24
Machine Tools Project	1·20	0·31
Agricultural Tractors Project	0·25	0·02
Tungabhadra Steel Products	0·51	0·51
Instrumentation Ltd.	1·80	2·25
National Instruments Ltd. (including Opthalmic Glass Project).	1·00	1·60
Hindustan Photo Films	1·15	1·84
Expansion of Nepa Mills	1·26	1·22
Expansion of Hindustan Cables	0·50	1·00
Electronics†.	0·20	(*a*)

*Also covers Watch Project.

(*a*) Included under Department of Atomic Energy.

APPENDIX 6·3 contd.

(Rs. crores)

Scheme	1966-67	
	Plan Outlay	Actual Expenditure
Paper Corporation	0·20	0·02
Cement Corporation	3·50	1·42
Indian Standards Institution	0·40	0·40
National Productivity Council	0·25	0·23
National Industrial Development Corporation	0·80	0·71
	109·61	*143·47*
Department of Petroleum		
Oil and Natural Gas Commission	33·06	39·80
Oil India Ltd.	..	4·80
Indian Oil Corporation		
(*a*) Refineries Division (*b*) Marketing Division	26·68	15·73
Cochin Refinery	3·00	..
Madras Refinery	6·50	7·99
Government Esso Lube Oil Project	3·02	0·84
Lubrizol India Ltd.	0.10	0.25
	72·36	*69.41*
Department of Mines and Metals		
Coal		
National Coal Development Corporation	23·00	25·84
Singareni Collieries	..	3·54
Central Ropeways (Coal Board)	2·50	3·04
Neyveli Lignite Corporation	9·50	14·47
National Mineral Development Corporation		
Kiriburu iron ore project Bailadila iron ore project Khetri copper project	8·00	10·58
Orissa Mining Corporation (mining Daiteri iron ore) (Loan by Central Government)	0·81	0·81

सत्यमेव जयते

APPENDIX 6·3—contd.

(Rs. crores)

Scheme	1966-67	
	Plan Outlay	Actual Expenditure
Mineral Surveys :		
Aerial Survey for Base Metals	1·00	0·26
Geological Survev of India	2·61	1·75
Indian Bureau of Mines	0·37	..
Metal projects:		
Korba	0·67	0·70
Koyna	0·90	
Metal Corporation.	4·22	7·36
Zinc Smelter, Visakhapatnam	0·20	0·10
Production cell in Coal Controller's Organisation	..	0.03
	53·78	*68·48*
Department of Chemicals		
Indian Drugs and Pharmaceuticals Ltd. (Synthetic Drug Project, Antibiotics Plant and Surgical Instruments Factory)	8·00	11·50
Fertiliser Corporation of India (Namrup, Gorakhpur, Durgapur, Trombay expansion and rationalisation of production at Sindri)	9·98	13·65
Pyrites and Chemicals Development Corporation	1·50	1·05
Hindustan Insecticides Ltd.	0·40	0·03
Hindustan Organic Chemicals Ltd.	3·00	0·50
Hindustan Antibiotics Ltd.	..	0·22
Fertiliser and Chemicals (Travancore) Ltd. (Alwaye and Cochin Expansion).	1·50	4·10
Madras Fertiliser Project	4·52	0·08
Gujarat Petro-chemical Complex	4·00	0·06
	32·90	*31·19*
Ministry of Transport		
Shipyard Schemes		
Subsidy required for Ships produced at Hindustan Shipyard	1·70	1·48
Development of Hindustan Shipyard, Visakhapatnam	0·50	0·35
Drydock scheme	0·50	0·27
Second Shipyard, Cochin	0·20	0·09
	2·90	*2·19*

APPENDIX 6·3—concld.

(Rs. crores)

Scheme	1966-67 Plan Outlay	1966-67 Actual Expenditure
Department of Steel		
Hindustan Steel Ltd.		
Bhilai, Durgapur, Rourkela, etc.	82·00	70·10
Bokaro Steel Plant	27·50	18·19
Mysore Iron and Steel Co	2·50	11·45
Provision for Technological changes for improving Blast Furnace output at HSL plants	0·50	..
	112·50	*99·74*
Ministry of Commerce		
Metric System	0·25	0·25
Loan to Plantation Industries	1·84	1·52
	2·09	*1·77*
Ministry of Finance		
Alkaloid Factory	0·37	0·01
Security Paper Mill	1·78	2·35
Loan to Industrial Development Bank	52·00	65·0
Kolar Gold Mines	0·32	0·22
Hutti Gold Mines	0·17	..
	54·64	*67·58*
Department of Atomic Energy		
Atomic Energy Schemes	8·30	2·00
TOTAL—CENTRE	*449·08*	*485·83*

APPENDIX 7.1

Plan Expenditures (Actuals) under Village and Small Industries, 1964-67

(Rs. lakhs)

Industry	1964-65				1965-66				1966-67			
	Centre	States	Union Terri-tories	Total	Centre	States	Union Terri-tories	Total	Centre	States	Union Terri-tories	Total
Handloom	29·26	498·60	6·19	534·05	46·12	449·86	8·32	504·30	40·00	459·69	8·82	508·51
Powerloom	28·91	..	..	28·91	11·59	..	..	11·59	..	..	..	..
Small Scale Industries	349·01	926·73	75·77	1,351·51	498·08	1,159·43	119·47	1,776·98	480·00	626·76	70·89	1,177·65
Industrial Estates	..	536·49	19·75	556·24	..	516·35	25·31	541·66	..	206·61	9·05	215·66
Handicrafts	42·27	55·96	5·36	103·59	93·00	70·70	4·95	168·65	133·00	76·23	4·77	214·00
Sericulture	21·00	96·06	3·50	120·56	23·75	125·80	3·50	153·05	29·00	68·78	1·06	98·84
Coir Industry	6·54	26·24	0·63	33·41	14·29	43·54	1·88	59·71	11·00	21·62	0·96	33·58
Khadi and Village Industries	1,824·00	56·18	4·03	1,884·21	1,913·00	59·78	5·17	1,977·95	1,811·00	48·46	1·03	1,860·49
TOTAL	*2,300·99*	*2,196·26*	*115·23*	*4,612·48*	*2,599·83*	*2,425·46*	*168·60*	*5,194·31*	*2504·00*	*1,508·15*	*96·58*	*4,108·73*
Rural Industries Projects	171·14	..	..	171·14	236·69	..	..	236·69	220·00	..	..	220·00
GRAND TOTAL	*2,472·13*	*2,196.26*	*115·23*	*4,783·62*	*2,836·52*	*2,425·46*	*168·60*	*5,430·58*	*2,724·00*	*1,508·15*	*96·58*	*4,328·73*

APPENDIX 8.1

Transport and Communications

Plan Expenditures, 1966-67 (Centre, States and Union Territories)

(Rs. crores)

	Plan Outlay			Actual Expenditure		
	Centre	States and Union Territories	Total	Centre	States and Union Territories	Total
A. *Transport*						
Railways	225·00	..	225·00	198·68	..	198·68
Roads	47.50	57·21	104·71	51·64	59·68	111·32
Road Transport	0·15	15·90	16·05	0·15	18·94	19·09
Major Ports	13·67	1·28	14·95	11·29	..	11·29
Minor Ports				1·32	1·37	2·69
Shipping	..	0·30	0·30	0·63	0·29	0·92
Inland Water Transport	1·95	0·30	2·25	0·82	0·14	0·96
Lighthouses	0·44	..	0·44	0·63	..	0·63
Civil Air Transport	19·30	0·26	19·56	20·47	0·21	20·68
Tourism	0·65	1·29	1·94	0·28	0·99	1·27
Farakka Barrage	12·50	..	12·50	14·35	..	14·35
TOTAL—TRANSPORT	*321·16*	*76·54*	*397·70*	*300·26*	*81·62*	*381·88*
B. *Communications*						
Posts and Telegraphs	29·25	..	29·25	38·81	..	38·81
Other Communications	1·70	..	1·70	1·05	..	1·05
TOTAL—COMMUNICATIONS	*30·95*	..	*30·95*	*39·86*	..	*39·86*
C. *Broadcasting*	1·82	..	1·82	1·94	..	1·94
GRAND TOTAL	*353·93*	*76·54*	*430.47*	*342·06*	*81·62*	*423·68*

सत्यमेव जयते

APPENDIX 11.1

Health and Family Planning Programmes: Physical Targets and Achievements during 1966-67

Item	Unit	1965-66	1966-67	
		Achievement	Target	Achievement
Hospital Beds .	Numbers	2,40,100	2,55,100	2,46,682
Primary Health Centres	„	4,668*	5,189	4,794
Medical Colleges . .	„	87	†	89
Annual Admissions—M.B.B.S.	„	10,520	11,500	11,079
Dental Colleges . .	„	13	†	14
Doctors . . .	„	86,000	89,000	90,000
Nurses . . .	„	45,000	55,000	50,000
Aux.-Nurse-Midwives/Midwives	„	35,000	45,000	40,000
Health Visitors . .	„	3,500	3,900	3,900
National Malaria Eradication Programme				
Attack phase . .	Total units	80·26	30·27	55·85
Consolidated phase . .	„	170·36	137·53	134·09
Maintenance phase . .	„	142·63	225·45	203·31
		393·25	*393·25*	*393·25*
Small-Pox				
Primary Vaccinations .	millions	61·75	†	69·47**
Re-vaccinations . .	„	394·26	„	430·35**
Family Planning				
Main centres . . .				
Rural . . .	Numbers	3,676	„	4,564
Urban	„	1,381	„	1,580
Sub-centres .	„	7,081	„	13,550

***In addition, there were 289 .primary health enters con the State pattern.**

****Under the National Smallpox Eradication Programme.**

†No target was fixed.

सत्यमेव जयते

APPENDIX 11.2

Plan Expenditure on Water Supply Schemes during 1966-67

(Rs. lakhs)

	Urban	Rural	Total
I. *Centre*	..	35·00	35·00
II. *States*			
Andhra Pradesh	280·97	..	280·97
Assam	22·14	31·71	53·85
Bihar	192·56	7·42	199·98
Gujarat	101·00	38·00	139·00
Haryana	5·00	15·00	20·00
Jammu and Kashmir	35·14	83·82	118·96
Kerala	86·01	13·35	99·36
Madhya Pradesh	84·92	36·79	121·71
Madras	304·18	24·81	328·99
Maharashtra	168·68	97·01	265·69
Mysore	113·00	38·00	151·00
Nagaland	10·03	8·65	18·68
Orissa	45·00	15·00	60·00
Punjab	6·50	8·70	15·20
Rajasthan	60·14	73·83	133·97
Uttar Pradesh	132·00	19·00	151·00
West Bengal	20·00	10·00	30·00
TOTAL—STATES	*1,667·27*	*521·09*	*2,188·36*
III. *Union Territories*			
Delhi	218·78	4·47	223·25
Tripura	4·06	..	4·06
Manipur	8·00	3·18	11·18
Himachal Pradesh	..	30·53	30·53
Chandigarh	..	0·31	0·31
Pondicherry	10·67	0·35	11·02
Goa, Daman and Diu	42·50	..	42·50
Andaman and Nicobar	7·19	..	7·19
N.E.F.A.	6·61	3·60	10·21
Laccadive, Amindivi and Minicoy Islands	..	..	..
Dadra and Nagar Haveli	..	..	..
TOTAL—UNION TERRITORIES	297·81	42·44	340·25
GRAND TOTAL	*1,965·08*	*563·53*	*2,528·61*

सत्यमेव जयते

APPENDIX 12.1

Expenditure on Housing Schemes in the State Plans—1966-67

(Rs. lakhs)

State/Union Territory	1966-67	
	Outlay	Actuals
Andhra Pradesh	25·51	18·00
Assam	4·60	6·00
Bihar	30·00	27·00
Gujarat	48·02	32·00
Haryana	5·25	4·00
Jammu and Kashmir	25·00	21·00
Kerala	19·81	44·00
Madhya Pradesh	29·00	29·00
Madras	102·51	96·00
Maharashtra	230·00	202·00
Mysore	44·00	45·00
Nagaland	10·00	14·00
Orissa	23·50	16·00
Punjab	5·75	5·00
Rajasthan	10·00	11·00
Uttar Pradesh	62·00	53·00
West Bengal	220·38	157·00
TOTAL—STATES	*895·33*	*780·00*
Andaman and Nicobar Islands	0·70	0·50
Chandigarh	..	..
Dadra and Nagar Haveli	..	0·80
Delhi	290·08	234·00
Goa, Daman and Diu	..	9·00
Himachal Pradesh	10·50	12·00
Laccadive, Amindivi and Minicoy Islands	0·05	0·05
Manipur	5·35	5·00
N.E.F.A.	..	..
Pondicherry	9·50	9·00
Tripura	5·95	3·00
TOTAL—UNION TERRITORIES	*322·13*	*273·35*
GRAND TOTAL	*1,217·46*	*1,053·35*

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*Includes a sum of Rs. 2·10 lakhs for Hill Areas

सत्यमेव जयते

APPENDIX 12·2

Plan Expenditure under Central Sector Housing Schemes—1966-67

(Rs. lakhs)

Name of Scheme	1966-67	
	Outlay	Actuals
Dock Labour Housing	28·00	10·60
Slum Clearance (Central Share) . .	525·58	355·60
Land Acquisition and Development .	4·30	..
Office and Residential Acommodation .	633·00	593·00
Cellular Concrete Factories . . .	..	..
Experimental Housing	..	..
Housing Statistics . . .	15·65	..
TOTAL—Housing . .	1,206·53	959·20

सत्यमेव जयते

APPENDIX 12·3

Housing Schemes: Physical Targets and Achievements—1966-67

(Number of Houses)

State/Union Territory	1966-67	
	Target	Achievement
Andhra Pradesh	788	288
Assam	100	57
Bihar	710	1,014
Gujarat	5,123	1,478
Haryana	175	187
Jammu and Kashmir	220	265
Kerala	505	445
Madhya Pradesh	1,033	1,031
Madras	2,255	2,113
Maharashtra	9,672	2,947
Mysore	1,120	2,657
Nagaland	200	200
Orissa	252	252
Punjab	210	144
Rajasthan	438	257
Uttar Pradesh	1,224	1,581
West Bengal	4,022	3,575
TOTAL—STATES	*28,047*	*18,491*
Andaman and Nicobar Islands	13	..
Chandigarh	..	..
Dadra and Nagar Haveli	..	..
Delhi*	4,670	4,709
Goa, Daman and Diu	..	..
Himachal Pradesh	230	149
Laccadive, Amindivi and Minicoy Islands	2	2
Manipur	93	90
N.E.F.A.	..	..
Pondicherry	85	59
Tripura	153	6
TOTAL—UNION TERRITORIES	*5,246*	*5,015*
GRAND TOTAL	*33,293*	*23,506*

सत्यमेव जयते

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*In addition, as against the target of 5,800 plots, 5,000 plots were developed during 1966-67.

APPENDIX 14·1

Plan Expenditure under Social Welfare—1966-97

(Rs. lakhs)

Schemes	1966-67 Outlay	1966-67 Actuals
Central Sector		
Welfare extension projects	38·00	40·24
Special programmes for children		
Holiday Homes	3·20	2·18
Special Programmes for Women		
Condensed courses of education for adult women	23·00	23·73
Socio-economic programme	5·00	3·43
Dais and Mahila Mandal training	0·20	0·23
Programmes of the Central Social Welfare Board		
Grants-in-aid to voluntary organisations	71·00	71·19
Night shelters	0·50	0·10
Welfare extension projects (Urban)	4·00	2·22
Other schemes	10·10	9·32
Strengthening of voluntary organisations	4·20	3·77
Education of the handicapped	8·90	7·56
Pre-vocational training	26·06	19·87
Social Defence :		
Central share for the social defence and care schemes of the State Governments	20·00	7·84
Central share for the social and moral hygiene and after-care programmes		
Financial assistance to the Association for Moral and Social Hygiene in India	0·81	0·77
Training, research, surveys and administration	7·00	6·00
Central share for the social welfare schemes of the State Governments (other than social defence, after-care and welfare of the handicapped)	20·00	19·39
Rehabilitation of the displaced persons	14·10	0·15
TOTAL—Centre	*256·07*	*217·99*
—States	*119·00*	*100·00*
—Union Territories*	*35·0*	*21·00*
GRAND TOTAL	*410·07*	*338·99*

*Programme-wise details not available

GMGIPND—L—16 P.C.—4,500

सत्यमेव जयते